

SERENIC NAVIGATOR

**A PROFESSIONAL REVIEW &
GUIDE TO SELECTING NOT-FOR-PROFIT SOFTWARE**



ASA RESEARCH
MAY 2005

TABLE OF CONTENTS

- Introduction & Scope of Work 3
- Introduction to Serenic Navigator 4
 - History 5
 - Serenic Navigator's Technology 6
 - Listing of Modules 8
 - Product Screen Design 9
- Introduction to Not-for-Profit Accounting 10
- Specific Not-For Profit Needs 12
 - FASB 116 and 117 Compliance..... 13
 - Accounting for Restrictions 14
 - Accounting for Grants and Endowments 17
 - Accounting for Encumbrances and Commitments..... 19
 - Inter-fund Processing..... 21
 - Cross Fiscal Year Reporting 22
 - Fund Raising 23
 - Accounting for Pledges 25
- Critical For Profit Accounting Features 26
 - Account Number Segmentation 27
 - Slicing and Dicing Data 27
 - Allocations 28
 - Program and Project Management 29
 - Customization Capabilities..... 30
 - Financial Reporting 34
 - Budget Planning and Control 38
 - Workflow and Approvals 40
 - Multi-Language 42
 - Multi-Currency 42
- Selecting A Not-for-Profit Solution 43
 - List of all Not-for-Profit Solutions 43
 - NFP Feature Comparison Table 44
 - ASA Research Ratings 45
- Conclusion 45
- About the Author 46
- Feedback..... 46
- End Notes..... 46

INTRODUCTION & SCOPE OF WORK

Serenic Navigator is a not-for-profit accounting system solution that has emerged in recent years to become one of the world’s top solutions. Based on the product’s impressive growth, successes to date, and the respect it has earned, we decided to put Serenic Navigator to the test to determine how well this product meets the needs of the not-for-profit industry.

The purpose of this report is two-fold. The first objective is to provide an in-depth review of the not-for-profit features and functionality of Serenic Navigator. The second objective is to provide guidance to organizations for properly evaluating and selecting not-for-profit accounting systems, using Serenic Navigator as the example product.

Our work was based on Serenic Navigator version 4.0. We started our review by documenting Serenic Navigator’s history, technology and product “look and feel” Next we identified the critical accounting system features and functionality typically required by not-for-profit organizations. We separated these features and functions that apply only to not-for-profit organizations and those features and functions that apply to companies of all industries. We then documented and described each of these features and functions in detail to help you fully understand these needs, and the implications they bring to bear on an accounting system. The significant not-for-profit features and functions we identified as the basis for our review are summarized below.

Key Not-for-Profit Features that Apply Only to Not-for-Profit Organizations	Key Not-for-Profit Features that Apply to All Companies
FASB 116 Compliance	Account Number Segmentation
FASB 117 Compliance	Slicing and Dicing Data
Accounting for Restrictions	Allocations
Accounting for Grants & Endowments	Programs and Project Management
Accounting for Encumbrances	Customization
Inter-fund Processing	Financial Reporting
Cross-Fiscal Year Reporting	Budget Planning and Control
Fundraising	Workflow and Approvals
Accounting for Pledges	Multi-Language
GASB 31 Compliance - Investments	Multi-Currency

Using these 20 features, we put Serenic Navigator to the test using live product code to see how well the product meets these needs, and to determine where the product falls short. In addition to live product testing and usage, we also interviewed Serenic’s management, resellers, and customers; as well as management, resellers, and customers of other competing not-for-profit products. Our work also included the compilation of side-by-side feature comparisons for several top not-for-profit solutions, magazine reviews, and interviews with industry experts.

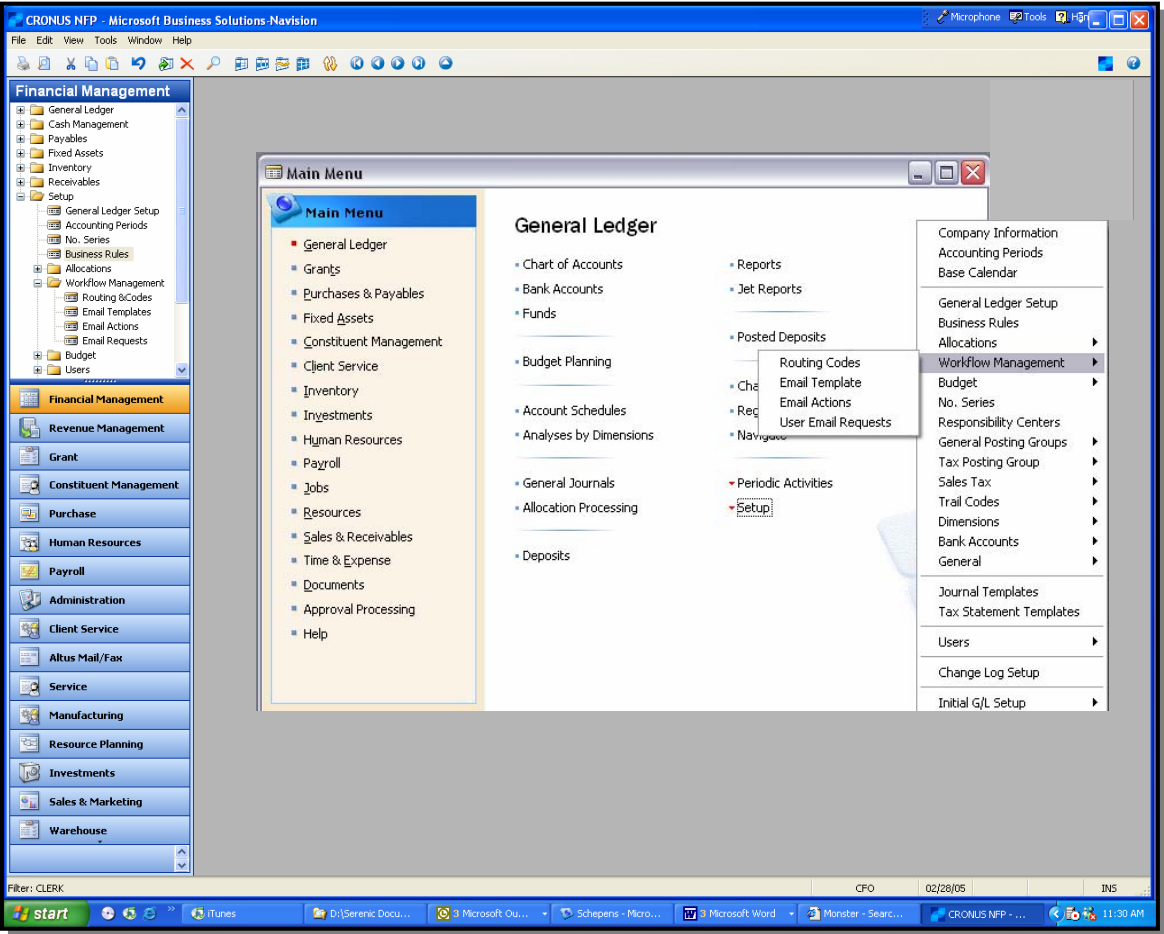
As a conclusion to this report, we have provided a listing and web site addresses for the major not-for-profit solutions available today, along with a table comparing the significant not-for-profit features we identified against selected leading not-for-profit solutions.



ASA Research (A subsidiary of Accounting Software Advisor, LLC)

INTRODUCTION TO SERENIC NAVIGATOR

Serenic Navigator is a not-for-profit and governmental accounting system solution based on Microsoft Navision – a financial accounting and enterprise resource planning (ERP) solution used around the world by more than 45,000 companies. Microsoft Navision is widely considered to be one of the top accounting and ERP systems in the world. Compared to other accounting and ERP solutions, Microsoft Navision is unique because it provides built-in customization tools that are unmatched in the industry. Using these built-in customization tools, Serenic developers have produced a version of Navision software that provides complete not-for-profit and governmental functionality. The result of this approach is Serenic Navigator - a fully-loaded not-for-profit solution coupled with a fully-loaded accounting system and ERP solution. The system offers fund accounting, financial reporting, core financial accounting, and a host of advanced solutions including manufacturing, warehouse management, supply chain solutions, investment management, donor management and grant management. The Serenic Navigator general ledger screen is shown below.



Serenic Navigator's General Ledger Screen and Set Up Functions

HISTORY OF SERENIC NAVIGATOR

When evaluating and selecting an accounting software solution, it is useful to know the history behind the product. Accordingly, a brief history of Navision follows. Navision was originally founded in 1983 by Jesper Balsler, Peter Bang and Torben Wind in Copenhagen, Denmark. In 1984 the product was launched as "PCPlus" in Denmark & Norway. This was a character-based accounting solution targeted towards the SOHO (small office/home office) market. In 1984 "Beauty of Simplicity" was adopted as the first company slogan. In 1987 the company changed its name to Navision.

In 1990 the company launched DOS-based Navision 3.0, and expanded the market beyond Scandinavia into Germany, Spain and the United Kingdom. In 1992, the company also reached an agreement with then Peachtree Software President, Bill Goodhue, who acquired the rights to distribute Navision in the United States. In 1993 Navision corporate initiated a major development effort to create a new generation of Navision solutions based on the Microsoft Windows 32-bit client/server platform, while Peachtree developers worked towards localizing Navision for the United States market. Modifications included better printing capabilities and changing the terminology of the systems for the United States market. As examples, in Europe you "book" an entry and in the United States we "post" it; Europeans sell "product" while Americans sell "inventory". For the most part, Navision's underlying business rules were completely compatible with the business rules used here in the United States. Therefore localizing Navision was more a matter of cosmetics than redesign.

"Today, no other not-for-profit solution can match Serenic Navigator for features, performance, and price point – it is one of the most complete solutions available today."

The product was launched in the US market in 1995. Initially called "AVISTA" Software, the name was changed the following year to "Navision Financials" in order to better leverage Navision's name recognition. The company continued to enhance the product by adding contact management functionality in 1997, manufacturing capabilities in 1998, and advanced distribution in 1999. 2000 was a stellar year for Navision. In 2000 Navision Financials received Microsoft Windows 2000 Professional Certification and Microsoft Windows 2000 Server Certification. The company launched the Navision Commerce Gateway – the world's first solution based on Microsoft's BizTalk Server. The company also launched the Navision User Portal – the world's first solution based on Microsoft's Digital Dashboard.

In 2002 Microsoft acquired Navision for \$1.4 billion – the largest acquisition made to date by Microsoft. Navision's reported growth rate was an astounding 32% and 23% in 2003 and 2004 respectively, during a period in which the rest of the accounting software industry has been slumping and recoiling from an accounting system industry recession caused by the impact of the Y2K bug. Most impressive is the fact that Navision has been Microsoft's fastest growing accounting solution since its acquisition. The Navision software product line has grown steadily and today has approximately 45,000 customers worldwide, and more than 400,000 individual users.

In 1999, Serenic Software was founded by Jay Malik, a software developer with experience working with American Fundware (now Kintera) and Platinum Software (now Epicor). Using Navision's built-in customization tools, the Serenic team rolled out the Navigator product line and recruited resellers to support the product. Serenic Navigator was an instant success which immediately challenged the top not-for-profit solutions. As Serenic's name recognition continued to grow, the product's success continued to climb as well. Today, no other not-for-profit solution can match Serenic Navigator for features, performance, and price point – it is one of the most complete solutions available today. In 2004, Serenic joined forces with Vision HRM, the developer of the Microsoft Navision human resources and payroll products. The Serenic legacy continues today as one of Microsoft's premier, Gold-certified Industry

Solutions providers, and as a publicly traded corporation focused on enabling not-for-profits to fulfill their missions using fully-integrated, single vendor financial and operational software solutions.

SERENIC NAVIGATOR'S TECHNOLOGY

When evaluating and selecting an accounting software solution, it is important to understand the underlying technology. In general, a system's technology should be fast, stable and reliable. The architecture should be open and should comply with industry standards. The product's programming code should be portable so that it can embrace newer technologies as they emerge. Accordingly, presented below is a brief description of the Serenic Navigator's underlying technology.

Programming Language – Serenic Navigator was originally developed in C/SIDE - a 100% graphical environment that, like the application, has a graphical user interface. It is useful to understand that most applications are developed in a specific programming language (such as "C"), using a set of predefined tools for creating instant dialog boxes and other objects (such as "SIDE"). Hence Serenic Navigator was written in C/SIDE, or more aptly stated, "C" with an assortment of predefined tools "on the side".

Databases - Serenic Navigator runs on two different databases - the native Navision database and the Microsoft SQL Server database. Serenic Navigator charges the same fee for either the Navision or SQL Server database. Historically, approximately 80% of Navision and Serenic Navigator customers have selected the Navision database, but the popularity of the Microsoft SQL Server database has been rising steadily. Both are excellent databases. The Navision database has a stellar reputation for speed, stability and a lower total cost of ownership because it requires less on-going administration to maintain. The Microsoft SQL Server database is considered to be the best choice for larger Serenic Navigator customers. These database options are discussed further below.

Navision Database - The Navision database (which was formerly called the C/SIDE database) is a relational database which scales very high. The integrity of the C/SIDE database is protected by its unique design. Each time a transaction is recorded in Serenic Navigator, the change is actually recorded in a copy of the database after which a copy of the database is written and the original database is then over-written. The result is that you can actually turn off the power during posting, and the product's design will prevent the data from becoming corrupted. An article to this effect was published in the December 1996 issue of Datamation. This article described how Triad Resources – a contract-manufacturing company located in Campbell, CA. lost power with 20 users concurrently using the Navision system. When the power came back on, the Navision systems came back up with no problems.

The Navision database is a proprietary database, and typically many experts frown on the use of proprietary databases. However, Serenic Navigator using the Navision database has earned both the Designed for Windows XP logo (in addition to other accolades such as the "Designed for Windows 95 NT/95" and "Microsoft BackOffice" logos.) Further, the Navision database look and feel is similar to Microsoft Access and the corresponding tool set look and feel is similar to Visual Basic. The result is that developers who are experienced in Access or Visual Basic find Serenic Navigator to be intuitive to use. Serenic Navigator is compliant with many industry standard products such as Crystal Reports, Jet Reports, and Microsoft Office 2003. The product uses the Windows Print Manager for all printing – a widely adopted industry standard. Given these facts, it is easy to see why many of Serenic Navigator customers choose the Navision database platform.

"...you can actually turn off the power during heavy data entry or posting, and [Serenic Navigator] product design will prevent the data from becoming corrupted."

Microsoft SQL Server Database - The Microsoft SQL Server database is the most popular selling database today and it packs a powerful one-two punch with the SQL Server and MSDE versions of the database. The Microsoft SQL Server database scales very high and can easily meet the needs of larger ERP class customers. It is worth noting that Serenic's smaller customers tend to choose the Navision Database by a wide margin, primarily based on the database's reputation for speed and high data integrity.

Tiered Networking – For network implementations, Serenic Navigator offers two-tier, three-tier, and scheduled for the next release - N-tier solutions. Technical definitions for these three methods of server deployment are presented below:

- a. Two-tier systems support processing only at the server and workstation, hence, only two computers are involved – the server and the workstation.
- b. Three-tier systems allow users to separate the database from the application and place them on different servers. For example, Serenic Navigator's .NET applications support the three-tier model. The user interface is written in .NET, the middle layer utilizes Microsoft Sharepoint Services, and the data components communicate through Navision Application Server (NAS) to Navigator on either MS SQL server or Navision server. The same Navigator business logic resides in a central repository for use from the web or client/server versions of the application. All modules are integrated with the General Ledger as in the client/server version.
- c. N-tier systems allow users to define where specific operation processing will occur. For example, the processing of reports may occur on its own server, separate from the rest of the accounting system. With an N-tier system, an unlimited number of servers could be deployed to accommodate the various Serenic Navigator processes. This type of technology is commonly referred to as distributed processing and is widely considered to be the defacto standard for implementing enterprise class solutions.

A second benefit of distributed processing is that the user's workstation resources are freed up thereby allowing users to work faster on their own workstations. When you consider that a ten-minute increase in staff productivity each day results in a savings of more than 40 hours per year, you can see how a distributed processing solution can result in significant savings.

The next scheduled releases of Navision and Serenic Navigator in 2006 are expected to provide N-tier distributed processing capabilities. This enhancement will further elevate the status of Serenic Navigator over the other popular not-for-profit solutions which do not provide this capability.

SIFT Technology – The Serenic Navigator system utilizes a reporting strategy called "Sum-Indexed Flow Technology" (SIFT). With this technology, amounts, balances, totals and subtotals are continually calculated and maintained in the database. The result is that when a report is produced, the necessary amounts, balances, totals and subtotals do not need to be re-calculated; the system simply pulls these numbers from the database. Accordingly reports printed to the screen are produced almost instantly. By comparison, most other accounting systems require that balances, subtotals and totals be painstakingly recalculated each time a report is produced.

Source Code - Serenic Navigator is a 32-bit application. The product is highly customizable and source code is available for a reasonable fee. This single feature is perhaps the most important feature to Serenic Navigator's success. Source code rights allow ISVs, resellers and end users to easily develop and adapt Serenic Navigator to meet specific needs. There is no better example of this than Serenic Navigator itself; the product was customized for the not-for-profit industry using Navision's built-in

customization and source code tools. The results speak for themselves as Serenic Navigator is considered by many to be the most powerful not-for-profit solution available today.

Interesting Technology Note - Serenic Navigator, and all its data, can be completely backed up – even when the product is opened and being used by others. In addition, the product can be completely customized even when the product is open and being used by others.

SERENIC MODULES:

Serenic Navigator includes thirty not-for-profit, accounting system, and ERP modules as follows:

<u>Financial Applications</u>	<u>Procurement Suite</u>	<u>Human Resources</u>
1. Accounts Payable	17. Purchase Requisitions	26. Human Resources
2. Accounts Receivable	18. Purchase Orders	27. Payroll
3. Advanced Allocations	19. Web Requisitions	28. Time and Effort Reporting
4. Bank Management		29. Time and Expense Sheets
5. Budget Planning & Control	<u>Revenue Management</u>	30. Web Time/Expense Entry
6. Commitments/Encumbrances		
7. Consolidations	20. Donor Management	
8. EFT and MICR Payments	21. Reimbursement Billing	
9. Fixed Assets		
10. Jet Reports	<u>Logistics</u>	
11. General Ledger	22. Inventory	
12. Grant Management	23. Warehouse Management	
13. Investment Management	24. Project Management	
14. Microsoft Excel Report Writer	25. Workflow with Approvals	
15. Multi-Currency		
16. Multi-Languages		

When it comes to listing modules, Serenic Navigator does not do itself justice because many of the modules include functionality that other solutions would consider to be two or three modules. For example, Serenic Navigator’s general ledger module includes financial reporting; the Bank Management module includes cash management and bank reconciliations, and the accounts receivable module includes order entry. Many other accounting software solutions typically list these modules separately, and hence it makes them appear to offer more functionality. You should take this into consideration when evaluating and selecting not-for-profit solutions.

SERENIC NAVIGATOR SCREEN DESIGN

Tabbed Dialog Boxes help organize the user screens.

Icons are clear, easy to understand, and easy to click on.

GRNT0001 - Grant Card

General Reference Reporting Rules Defaults Audit

No. GRNT0001 Search Name IMMUNITY TO IN...

Name Immunity To Intracellular Bacteria Grant Phase Planning

Description Minimum Amount 0.00

Description 2 Maximum Amount 0.00

Grant Dimension Value Proposed No. of Awards 0

Grant Making [checked] Payment Type LOC

Grantee No. Blocked [unchecked]

Grantee Name

Type	Po... to GL	Start Date	Expenditure Category ...	Description	Direct Cost	Indirect Cost	Total	De Cc
*▶					0.00	0.00	0.00	

Grant Functions Help

Labels and data fields are neatly arranged in a straight line.

Data fields are wrapped in boxes to enhance readability.

Additional buttons are available to deliver more information.

The open company's name is clearly displayed.

CRONUS NFP - Microsoft Business Solutions-Navision

File Edit View Tools Window Help

Main Menu

- General Ledger
- Grants
- Purchases & Payables
- Fixed Assets
- Constituent Management**
- Client Service
- Inventory
- Investments
- Human Resources
- Payroll
- Jobs
- Resources
- Sales & Receivables
- Time & Expense
- Documents
- Approval Processing
- Help

Constituent Management

- Constituents
- Honor/Memorial
- Campaigns
- Designations
- Segments
- Constituent Journal
- Receipts
- To-dos
- Reports
- Posted Receipts
- Constituent Registers
- Constituent Ledger Entries
- Registers
- Navigate
- Logged Segments
- Constituent Search
- Constituent Analysis
- Periodic Activities
- Setup

CFO 07/01/04

Icons located at the top allow you to search and filter data.

VCR buttons make it easy to scroll through customers.

The date here shows the period that is currently open.

The background prevents other open applications from cluttering the screen.

INTRODUCTION TO NFP ACCOUNTING

Not-for-profit organizations require all of the same features and functionality as traditional “for-profit” companies, and more. Many not-for-profit organizations manufacture goods, operate retail stores and web stores, manage inventory, conduct business in foreign countries, and maintain multiple companies or divisions. For all of these reasons and more, many not-for-profit organizations need traditional accounting software solutions such as manufacturing, retail point-of-sale, e-commerce, warehousing and advanced distribution, multi-national support for multiple languages and currencies, and consolidation capabilities.

This is an important point because most not-for-profit solutions available today provide only a handful of basic accounting modules such as the general ledger, accounts payable, accounts receivables, and financial reporting; but fail to provide the full range of advanced solutions required by many sophisticated not-for-profit organizations. In years past, many not-for-profit entities have resorted to purchasing separate systems to meet their needs. For example a museum may operate a system to meet their fund reporting needs; a point of sale system to meet their gift store needs; a constituent management system to manage constituents; a payroll and human resource solution for employees; a fixed asset solution to track and depreciate assets, and so on. This type of solution results in duplicate data entry, delayed reporting, and an increased likelihood of reporting errors – the typical type of problems that can sink an organization. The resulting combination of miss-matched products left many not-for-profit organizations wanting more.

We were surprised to find that not-for-profit organizations require all of the same features and functionality as traditional “for-profit” companies, and more.

Serenic Navigator avoids this problem because the system is built upon the Navision financial accounting system – considered by many to be one of the world’s top financial accounting systems. In addition to core accounting modules, Navision also includes advanced solutions such as job costing, manufacturing, e-commerce, retail point-of-sale, advanced distribution, multi-national capabilities, and consolidations. Using Navision’s built-in object-oriented customization tools, Serenic’s developers enhanced the Navision product to provide not-for-profit features and functionality. In essence, this solution provides not-for-profit organizations with the best of both worlds – a fully functioning financial accounting solution complete with advanced modules, combined with a fully-integrated not-for-profit solution.



To prove this point, listed below are various types of not-for-profit organizations recognized by the Internal Revenue Service along with a brief description of common scenarios in which these organizations might need advanced financial accounting modules above and beyond the core financial accounting solutions.

Types of Not-for-Profit Organizations	Examples of traditionally “for profit” applications needed by Not-for-Profit organizations
Art, Culture, and Humanities: Performing arts organizations, libraries, museums, historical societies.	Museums often schedule resources, track fixed assets, maintain equipment, sell tickets through point of sale systems, operate web sites, track investments, etc.
Education: Elementary, middle schools, high schools, colleges, universities, student services.	These organizations operate cafeterias and book stores and require point-of-sale systems, project accounting, fixed asset tracking, inventory, etc.
Environment: Environment and animal related organizations.	Project accounting across multiple years is important as is support for multiple currencies and languages.
Foundations: Public foundations, family foundations, private foundations.	Foundations often track fixed assets, need CRM solutions, track investments, and utilize project accounting.
Health: General and mental, hospitals, outpatient treatment facilities, research organizations.	These types of organizations require service billing; web based time and expense entry; equipment maintenance and fixed asset tracking.
Human Services: Legal, employment services, housing, food and nutrition, recreation, public safety, youth development, children, family services.	Depending upon the organization, there is often a need to manage inventory, schedule resources, track fixed assets, and manage human resources.
International: International and foreign affairs organizations.	Some of these organizations render food and aide which requires inventory management, warehousing, manufacturing, bar coding, & supply chain systems.
Public Benefit: Civil rights and advocacy, community improvement, voluntarism, social science, and science.	Project accounting, web portals, resource scheduling, fixed asset tracking, and human resources are typical needs of these organizations.
Religious Organizations: Churches, charities, missionary.	These organizations often operate book stores which require a point of sale system, job tracking, etc.

Serenic Navigator is the only mid-market not-for-profit solution meets all of the advanced accounting system needs described above. Only traditional ERP solutions costing millions of dollars can make this claim.

SPECIFIC NFP ACCOUNTING NEEDS

Not only do not-for-profit organizations need the same accounting system features and functionality as “for-profit” companies, but they also need additional features and functionality as well. A summary of these additional features and functions required by not-for-profit organizations is provided in the table below, followed by detailed descriptions of these needs.

Accounting System Needs specific to the Not-For Profit Industry (These features and functions are not provided by ordinary accounting systems)
1. FASB 116 Compliance
2. FASB 117 Compliance
3. Accounting for Restrictions
4. Accounting for Grants and endowments
5. Accounting for Encumbrances
6. Accounting for Commitments
7. Inter-fund Processing
8. Cross-fiscal Year Reporting
9. Fund Raising

It is useful to differentiate these not-for-profit requirements from the other key requirements discussed later in this report because most accounting software systems do not offer these not-for-profit features and functions; which is why those solutions are not suitable for use in a not-for-profit environment.

Some not-for-profit organizations use ordinary accounting solutions to meet their accounting system needs. For example, Intuit reports that more than 270,000 not-for-profit organizations use QuickBooks – an accounting system which provides none of not-for-profit features and functions listed above. Since the Internal Revenue Service (IRS) and Generally Accepted Accounting Principles (GAAP) direct not-for-profit organizations to use these features and functions, these organizations run the risk of shortcutting their record keeping and reporting requirements. Either these organizations are so small that they are not subject to these requirements, or the company’s management simply chooses to ignore these requirements. The specific reporting requirements required by the IRS and GAAP are discussed below.



FASB 116 & 117 COMPLIANCE

In June 1993, the Financial Accounting Standards Board (FASB) issued two pronouncements which specifically apply to not-for-profit entities. These two pronouncements are FASB 116, which addresses the accounting for contributions received and made; and FASB 117, which addresses financial reporting. Both pronouncements became effective for all not-for-profit organizations as of December 15, 1995. These pronouncements generally result in the following accounting and reporting requirements:

1. All not-for-profit organizations must recognize contributions in the period they are received at their fair market value.
2. All not-for-profit organizations must provide a statement of financial position, a statement of activities, and a statement of cash flows. (*More specifically, total assets, liabilities, and net assets must be reported in a statement of financial position; change in net assets must be reported in a statement of activities; and the change in its cash and cash equivalents must be reported in a statement of cash flows.*)
3. All net assets and its revenues, expenses, gains, and losses must be classified according to donor-imposed restrictions and grouped into three classifications, as follows: (1) permanently restricted, (2) temporarily restricted, and (3) unrestricted.

In order to better understand these unique system needs, presented below are examples of these types of classifications:

1. **Example of Unrestricted Funds** - A donor to a museum donates \$5,000 to that organization with no restrictions – these monies are eligible to be used at any time and for any type of expenditure. These types of funds are considered to be “unrestricted”.
2. **Examples of Permanently Restricted Funds** - A permanently restricted donation is a donation where the donor specifies that the corpus must be maintained and that only the earnings can be used to fund specific programs or general operations of the organization. A patron donates \$100,000 and specifies that the corpus must be maintained and the earnings from the investment of the corpus can be used for general operations. Another patron donates \$500,000, again the corpus is to be maintained and the earnings are to be used for health services for low income children.
3. **Example of Temporarily Restricted Funds** – A Temporarily Restricted donation is a donation that is restricted by the donor to a specific activity and/or to a specific time period. A member donates \$3,500 to be used to cover the cost of the annual employee picnic, after which any remaining funds may be used at any time and for any type of expenditure. This is an example of a temporarily restricted fund, because the stipulations expire after a certain point in time, or in this case after a specific event occurs.

Serenic Navigator fully complies with FASB 116 and FASB 117 in primarily two ways. First, the system provides users with an unlimited number of account number segments (also referred to as dimensions); including the ability to produce reports based on any one segment, or combination of segments. Secondly, the system also provides tools that allow users to create complex rules-based restrictions on funds, encumbrances, commitments, grants, and other transactions that also obey time restrictions. These two features are discussed in greater detail below.

ACCOUNTING FOR RESTRICTIONS

To comply with FASB 117 an accounting system must provide the ability to classify all assets and transactions as permanent, temporarily restricted, or unrestricted. Further, the restrictions and time duration of those restrictions must be maintained and obeyed by the accounting system. Ordinary “for-profit” accounting systems typically cannot, and do not provide these capabilities.

Serenic Navigator meets this need by providing an account number structure with ten segments (or dimensions), and with a simple setup change the account number can be expanded to include an unlimited number of segments without the need for data or account string conversions. These segments can be used to account for both the source and use of the funds in each transaction. For example:

Example of Accounting for Restrictions

Let us assume that for 2006, a high school receives \$100,000 in restricted funds from the federal government. These funds may be used at any time during the year and in any manner, except that they may not be used to fund teacher pension accounts or to purchase football uniforms. Any remaining monies at year end must be returned to the federal government. Note that in this example, there are restrictions placed on the purpose for which these funds may be used, in addition to the time frame in which these funds must be expended.

The school purchases \$800 worth of text books for the English department. In this case, the transaction is recorded in Serenic Navigator using the school’s four segment account number as follows:

Date	Account	Debit	Credit
3/1/2006	6050-SMITH-ENG-FED	\$800	
3/1/2006	Accounts Payable		\$800

To record the purchase of \$800 worth of text books for the English department, for Mrs. Smith’s class, using federal funds

In this example the account number “6050” represents the expense account (“Book Expense”); “SMITH” represents the subaccount; “ENG” represents the department; and “FED” represents the funds used to pay for the books. Before this transaction is posted, the Serenic Navigator system first checks to make sure that the federal funds in question are not being used to fund teacher pensions or to pay for football uniforms. The system also checks to make sure that these funds are permitted to be expended during this time period. Since none of the stated restrictions are violated, this transaction is accepted by Serenic Navigator and posted throughout the system.

Let us further assume that the school purchases \$2,000 worth of school football uniforms and attempts to enter the following transaction into the system using federal funds to pay for these uniforms as follows:

Date	Account	Debit	Credit
3/5/2006	6560-SLADE-PE-FED	\$2,000	
3/5/2006	Accounts Payable		\$2,000

To record the purchase of \$2,000 worth of football uniforms for the Physical Education department, for Mr. Slade's class, using federal funds

When the user attempts to post this transaction, Serenic Navigator evaluates this transaction against the restriction rules which apply. In this case, the system determines that the federal funds are indeed eligible to be expended in the correct time period; however the purpose for which these funds are being used violates one of the restrictions. Serenic Navigator will therefore reject this transaction and prompt the user to correct the transaction. In this simple example, from an accounting system perspective, the account segment FED is not allowed to be used in combination with the expense account 6560 – football uniforms because a user-created restriction prevents its entry. In this manner, the accounting system prevents funds from being expended in an improper time frame or for an improper purpose.

Presented below is the Serenic Navigator screen in which restrictions and other business rules are created. In this example, we have created a negative test which prohibits certain funds from being used for travel purposes.

Here we see the creation of a restriction that results in the validation of funds used for travel, and also requires higher level approval in the event travel exceeds certain predefined limits.

Business Object Code	Filter
FUND	F*
DEPARTMENT	BUILD
GLACCOUNT	7250

App. Effective...	From Amount	To Amount	Workflow Routing Code
01/01/06	0.00	4,999.00	DIRECTORS
01/01/08	5,000.00	49,999.00	EXECUTIVE

The example presented above can be followed further to understand how the resulting financial reports are impacted by multiple segments in the account number. Using the segmented account number structure described above, the high school can later produce profit and loss statements for the entire school, individual departments, and even for individual classrooms. The high school can also produce a report that summarizes all expenditures of federal funds. For example, using Serenic Navigator, the user need only print a list of expenditures for all account numbers matching "FED" in the fourth segment position. Assuming that all federal funds are used during the year, the resulting report would total to \$100,000; and none of the detailed line item expenditures in the report would violate the federal government's restrictions. This report would then be submitted to the federal government to show how and when these funds were expended, thereby providing for a proper accounting. The screen below shows how specific account number segments can be used to produce specific reports in Serenic Navigator.

The Flow Filter Tool

Here we see how Serenic Navigator's Flow Filter tool can be used to display financial information for any department, project, or fund; by groups of departments, projects or funds; or by any combination of departments, projects, and funds.

No.	Name	Budget	Commitments	Encumbrances	Actual	Available	Statistical	Provisional	Open Requisitions
4120	Grant & Contracts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4130	Federal Grants	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4140	State Grants	-105,000.00	0.00	0.00	0.00	-105,000.00	0.00	0.00	0.00
4199	Total Grants & Trusts	-227,000.00	0.00	0.00	0.00	-227,000.00	0.00	0.00	0.00
4200	Membership	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4210	Life Memberships	-230,000.00	0.00	0.00	0.00	-230,000.00	0.00	0.00	0.00
4220	Annual memberships	-3,000.00	0.00	0.00	0.00	-3,000.00	0.00	0.00	0.00
4299	Total Membership	-233,000.00	0.00	0.00	0.00	-233,000.00	0.00	0.00	0.00
4300	Events	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4310	Registration Fees	-3,000.00	0.00	0.00	0.00	-3,000.00	0.00	0.00	0.00
4320	Conferences	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4330	Dinners	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4340	Classes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4399	Total Events	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4600	Sales	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4615	Videos	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4620	Publications	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4650	Total Sales	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4700	Investment Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4705	Investment Income - Interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4710	Investment Income - Dividends	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4715	Unrealized Gain/Loss	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4720	Realized Gain/Loss	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4725	Interest income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4730	Investment Income/Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4735	Partnership Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4740	Total Investment Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4900	Clinical Revenues	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

ACCOUNTING FOR GRANTS & ENDOWMENTS

Another critical area for many not-for-profit organizations is accounting for grants. What is a grant or endowment; and what are the requirements for accounting for grants? Grants are similar to contracts with a few differences. First, grants are lawful contracts typically awarded by governments to other governments, colleges, universities, and not-for-profit organizations. While contracts typically involve goods and services, grants typically involve socially or economically desirable goals. Grants tend to be subject to different terms of eligibility, manners of payment, and conditions of fulfillment. Accordingly, grants are more flexible, and changes in the scope of work including annual renewals are common. Further, grants typically involve special terms and conditions, as well as sanctions for non-compliance.

Example of a Grant

For example, let us assume that the federal government has awarded a municipal zoo a grant in the amount of \$50,000 to study the feeding habits of turtles. This grant includes the restriction that these funds may only be used to study turtles, and no other animals. If this restriction is violated, then as a sanction, the zoo may be required to return all monies to the federal government.

To account for grants, the Accounting Standards Committee (ASC) originally issued Statements of Standard Accounting Practice 4 (SSAP 4) effective for accounting periods starting on or after 1 July 1990. SSAP 4 was later included as part of the codified set of Statements of Statutory Accounting Principles (SSAPs) effective January 1, 2001. These two authoritative pronouncements generally set forth that grants be accounted for as follows:

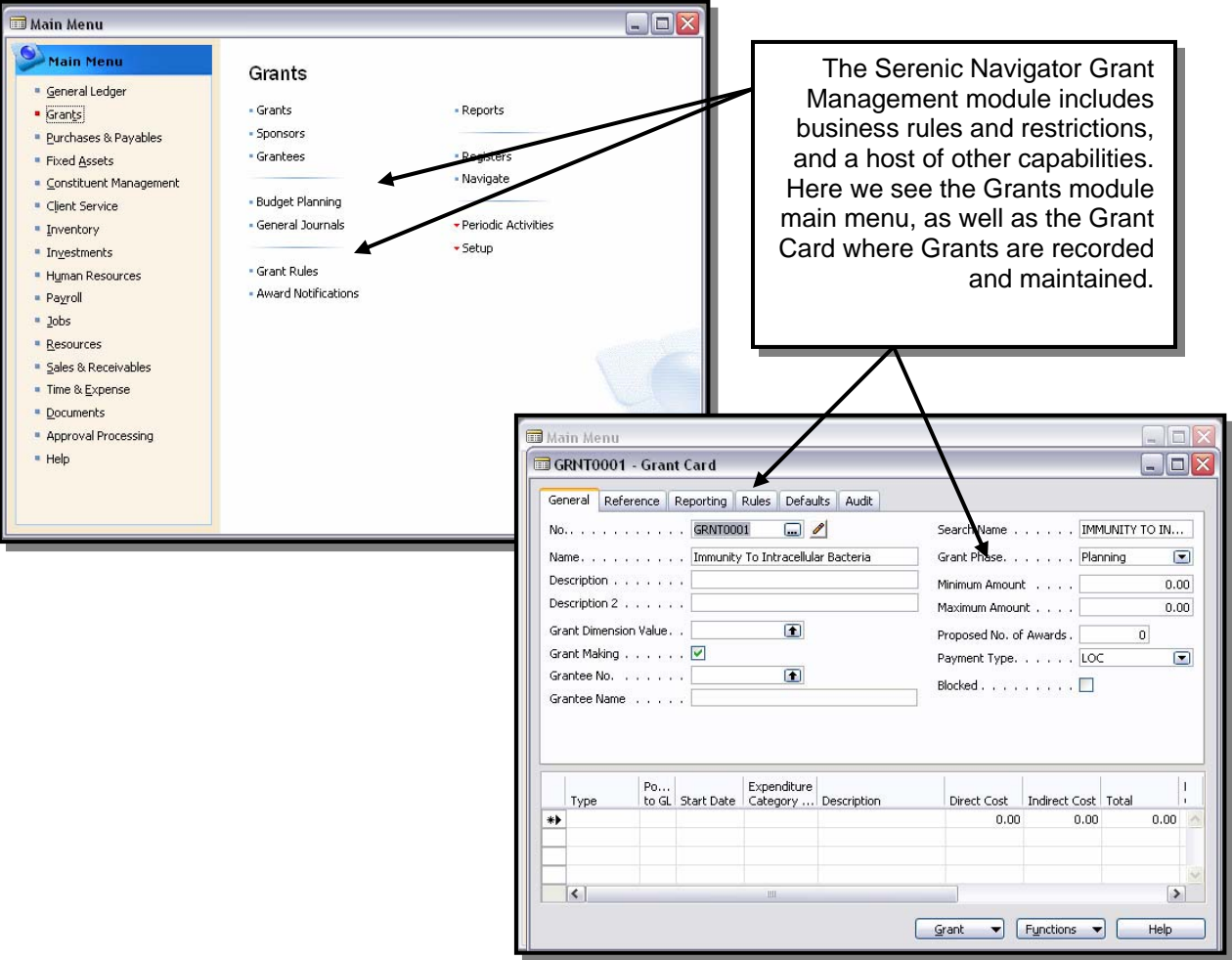
1. Grants should be initially capitalized as deferred income and portions should be amortized to the profit and loss account to match relevant expenditures.
2. Government grants and other forms of government assistance, including equity finance, subsidized loans, and advisory assistance must be disclosed as part of the financial statements.
3. To the extent that grants are made as a contribution towards the purchase or construction of a specific fixed asset, they should be recognized over the useful economic lives of the related assets.

While Serenic Navigator provides the functions to enable not-for-profit organizations to comply with these requirements, in reality most not-for-profit organizations that receive Federal funds generally follow a different set of requirements as set forth by the Federal government in the following documents:

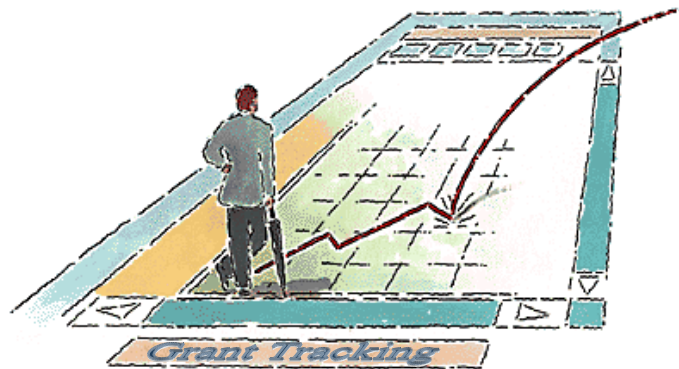
- OMB Circular A-21, Cost Principles for Educational Institutions (05/10/2004);
- OMB Circular A-110, Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations (11/19/1993) (further amended 09/30/1999);
- OMB Circular A-122, Cost Principles for Non-Profit Organizations (05/10/2004);
- OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations (06/24/1997) (includes revisions published in Federal Register 06/27/2003);
- Government Auditing Standards 2003 (the Yellow Book) Government Auditing Standards (the "Yellow Book") contains standards for audits of government organizations, programs, activities, and functions, and of government assistance received by contractors, nonprofit organizations, and other non government organizations.

The guidelines provided by the Federal government differ significantly from those set forth by the Accounting Standards Committee in regards to the capitalization and amortization of Grants. These opposing directives from two authoritative bodies underscore the complexity of meeting the accounting needs of the not-for-profit community. Nonetheless, Serenic Navigator provides the features and functionality to accommodate all requirements set forth by both the Federal government and the Accounting Standards Committee.

To accommodate the unique needs of grant tracking, Serenic Navigator provides a complete Grant module which includes features to track grant rules, award notifications, sponsors, grantees, grant phases, grant matching, dimensions, protocols, gifts in kind, and budgeting. For example, Serenic Navigator provides the functionality to generate indirect cost allocations. The system provides control over the method in which direct expenses are accumulated (by grant and source of funds) and the formula used to calculate indirect costs. The system also allows the user to create revenue recognition rules (by grant and funding source) to generate "release from restriction" transactions that allow the user to transfer Temporarily Restricted funds to grants based upon the individual donor restrictions. Features and functions like these provide the user with all of the necessary capabilities to record, track, amortize and report grants throughout the life of those grants. The Serenic Navigator Grant Tracking main menu is shown below along with the Grant Card where Grants are recorded and maintained.



Endowments are similar to grants and can be treated in the exact same way as grants. The difference is that grants are generally received from governments whereas endowments are generally received from individuals.



ACCOUNTING FOR ENCUMBRANCES AND COMMITMENTS

The ability to account for encumbrances is an important feature required by not-for-profit organizations that is not found in ordinary "for-profit" accounting system solutions. Encumbrances can best be described as funds that have been set aside for a specific purpose – or funds that are "encumbered" for a specific purpose. Encumbrances are reasonable estimates of future expenses, for example a purchase order is recorded as an encumbrance until the actual invoice is received, and in Serenic Navigator an encumbrance allows the organization to track budget versus actual and encumbered expenses. Therefore an encumbered expense can be thought of as a pre-expense that is recorded immediately even though the related goods or services and related invoice may not be delivered for many months. The organization knows the expense is coming, and the books are encumbered to reflect that impending expense. Presented below is a simple example of an encumbrance:

In January a not-for-profit organization hires a contractor to replace the roof on the building for a total cost of \$60,000. The work is scheduled to begin in April and is expected to be completed by the end of June. To ensure that the organization has sufficient funds to pay this debt in June, the organization encumbers \$60,000 worth of funds, or sets those funds aside if you will, to be used at the end of June to meet this financial obligation. However, the entire \$60,000 amount is encumbered immediately in the month of January when the services are contracted, even though the services related to this encumbrance will not be rendered for another several months. This type of accounting is different and contrary to the accounting methods used by "for-profit" entities. Accordingly, most ordinary accounting systems designed for "for-profit" entities do not easily accommodate this type of expense recognition.

From an accounting system perspective, the process of encumbering funds allows the user to estimate future expenses in either the current or future periods and allow budget checking which includes actual expenses, encumbered expenses (which are generated by journal entries and purchase orders), and committed expenses (which are generated by requisitions). The budget checking process allows the user to ensure that budgets are not over spent.

Similar to encumbrances, commitments are generated by the requisition system and they can best be described as internal permissions to purchase that are created during the requisition process. When a requisition is converted to a purchase order, the commitment is reversed and an encumbrance is created. The requisition system in Serenic Navigator allows the user to split and combine the requisition into multiple purchase orders across multiple vendors. Therefore, based on these previous descriptions, the magic formula for budget checking is as follows:

$$\text{Budget} - \text{Actual} - \text{Encumbrances} - \text{Commitments} = \text{Available (or remaining) Budget}$$

In Serenic Navigator the user can also elect to include transactions that have not been posted in the calculation for available budget. This would include transactions such as un-posted journal entries, in-process requisitions, in-process purchase orders, and un-posted invoices. The ability to include un-posted activity dramatically improves the flexibility of Serenic Navigator's business rules as well as ability to provide real time financial reports. To assist users in creating encumbrances and other items, Serenic Navigator provides predefined general journal templates specifically for this purpose. The general journal templates screen is presented below:

Serenic Navigator's predefined templates make entering encumbrances a snap. Here we see the product's full list of standard templates, along with the initial screen where encumbrances are entered into the system.

Name	Description	Transaction Type	Source Code	Type
ACTUAL	Actual Journal	Actual	ACTJNL	General
ASSETS	Fixed Asset G/L Journal	Actual	FAGLJNL	Assets
BUDGET	Budget Journal	Budget	BUDJNL	General
CASH RECEI	Cash Receipts Journal	Actual	CASHRE...	Cash Receipts
COMMITMENT	Commitment Journal	Commitment	COMJNL	General
CONSTIT	Constituent Journal	Actual		Constituents
ENCUMBER	Encumbrance Journal	Encumbr...	ENCJNL	General
INVESTMENT	Investment Journal	Actual	INVESTJNL	General
PAYMENTS	Payments Journal	Actual	PAYMEN...	Payments
PROVISION	Provisional Journal	Provisional	PROVJNL	General
PURCHASES	Purchases Journal	Actual	PURCHJNL	Purchases
RECURRING	Recurring Journal	Actual	RECURR...	General
SALES	Sales Journal	Actual	SALESJNL	Sales
STATISTICS	Statistical Journal	Statistical	STATJNL	General

Name	Description	Transac... Type
ACTUAL	Actual Journal	Actual
BUDGET	Budget Journal	Budget
COMMITMENT	Commitment Journal	Commit...
ENCUMBER	Encumbrance Journal	Encumb...
INVESTMENT	Investment Journal	Actual
PROVISION	Provisional Journal	Provisional
STATISTICS	Statistical Journal	Statistical

Status	No.	Posting Date	D.	Document T.	Document No.	Ac...	Ac...	Ac...	Dime...	Fund No.	Description	Debit Amount	Credit Amount	Alloc...	Ctl. Fund...	Fund Class...	Departm...	Project Code	Campaign Code	Laboratory Code	B.. B A.. A
New		07/01/04			GE000001	G/...									F01						G..

INTER-FUND PROCESSING

It is often advantageous for a not-for-profit organization to expend monies from one fund on behalf of other funds. For example, assume an organization has fifteen funds. Each month as invoices are received for common expenses such as computer, copier, paper, and toner, it is more expedient to pay for these expenses out of one fund, and set up the related reimbursements due from the other funds. In order to accommodate this type of situation, not-for-profit accounting systems must support inter-fund transactions, including inter-fund payables and receivables. These transactions should also obey any donor restrictions if applicable. For example, federal funds may stipulate that monies are prohibited from being used to fund general operations. This type of situation is usually tough if not impossible for traditional "for profit" solutions to handle. This situation calls for elaborate features within an accounting system in order to meet these needs. Serenic Navigator's inter-fund functionality allows organizations to generate transactions between funds by automatically recording the inter-fund balancing transactions, or by automatically distributing control account entries by fund, and eliminating inter-fund transactions altogether. This functionality may also be used to allocate overhead costs between funds and again, the inter-fund process will automatically create the fund balancing transactions.

Status	No.	Posting Date	Docu... Type	Document No.	Acc... Type	Account No.	Dime... Spee...	Fund No.	Description	C...	Debit Amount	Credit Amount	Alloc... No.	Ctl. Fund...	Fund Class...	Departm... Code	Project Code	Campaign Code
Appro...		07/01/04		G3000015	G/...			F01			10,000.00			F01	UNRES			
Appro...		07/01/04		G3000015	G/...			F03				10000.00		F01	PERM			

These screens depict the entry of an inter-fund transaction with automatic allocations across multiple departments. Although only two lines are entered, each line to a different fund, Serenic Navigator automatically creates an entry with 10 lines items, complete with inter-fund Due-To and Due-From amounts.

Internal Control No.	Document No.	Docu... Line No.	E... T...	S...	G/L Account...	Fund No.	Description	Amount	Departm... Code	Fund...
IC10000...	G3000025	10000	A...	A...	7250 F02	F02	Allocate by departments	3,000.00	ADMIN	F01
IC10000...	G3000025	10000	I...	A...	2915 F02	F02	Due To Fund F01	-3,000.00		F01
IC10000...	G3000025	10000	I...	A...	1915 F01	F01	Due From Fund F02	3,000.00		F01
IC10000...	G3000025	10000	A...	A...	7250 F02	F02	Allocate by departments	3,000.00	FINAN	F01
IC10000...	G3000025	10000	I...	A...	2915 F02	F02	Due To Fund F01	-3,000.00		F01
IC10000...	G3000025	10000	I...	A...	1915 F01	F01	Due From Fund F02	3,000.00		F01
IC10000...	G3000025	10000	A...	A...	7250 F02	F02	Allocate by departments	4,000.00	INFOT	F01
IC10000...	G3000025	10000	I...	A...	2915 F02	F02	Due To Fund F01	-4,000.00		F01
IC10000...	G3000025	10000	I...	A...	1915 F01	F01	Due From Fund F02	4,000.00		F01
IC10000...	G3000025	20000	I...	A...	1015 F01	F01	Cash - Operations	-10,000.00		F01

CROSS FISCAL YEAR REPORTING

While “for profit” entities tend to measure performance at fixed intervals such as month to month, quarter to quarter, or year to year; not-for-profit organizations tend to report results for differing periods of time such as the duration of a project. For this reason, not-for-profit solutions must provide the ability to report results across calendar years, fiscal years, or across multiple years. For example, an organization may receive funds to study and report on the driving habits of teenagers, a project that is expected to take several years to complete. In this case, interested parties are less interested in how the monies are received and spent in a given period, and are more concerned with the total amount of monies received and expended over the life of the project. Many traditional “for profit” accounting solutions include year end closing routines that zero out all detailed transactions, posting the difference to retained earnings. This type of solution is obviously not suitable for the not-for-profit environment. To accommodate cross fiscal year reporting, many accounting systems provide a project management solution, which are discussed later in this report. Serenic Navigator allows organizations to create reports containing either detail transactions or account balances across any time period and at the same time allows organizations to perform a normal fiscal year close.



FUNDRAISING

“Fundraising is critical for the sustainability and growth of [not-for-profit] organizations”, so says not-for-profit consultant Ginger D. Romero, MPA. Accordingly, most top not-for-profit accounting solutions provide fundraising features to assist organizations in this important endeavor. What is fundraising software? How does fundraising software work? Upon closer inspection we see that fundraising solutions are similar to customer relationship management (CRM) solutions; in both cases the basic objective is to help organizations maintain relevant information related to key individuals such as customers, clients and prospects, or in the case of fundraising – donors, patrons and supporters. The type of information maintained by these systems includes correspondence sent and received, letters, photographs, e-mails, phone call logs, notes, historical data, marketing campaign inclusion, pledges, promises, biographical data, contact information, personal notes, etc. These systems also help organize and streamline communications ranging from simple communications such as correspondence, escalating up to complex communications such as on-going campaigns. Serenic Navigator provides a complete fundraising module called Constituent Management, and several screens of the Constituent Card are shown below:

At the heart of the Serenic Navigator Fundraising module is the Constituent Management module which provides extensive capabilities for tracking and managing an extensive amount of useful data for each prospect.

Relationship Code	Reciprocal Relationship Code	No.	Type	Name	Nickname
CHILD	FATHER		Individual	J. Austin Collins	Austin
CHILD	FATHER		Individual	Stephanie B. Collins	Steph
FATHER	CHILD		Individual	Lynwood G. Collins	Bub
SPOUSE	SPOUSE		Individual	Mary Lou W. Collins	Mary

Document Type	Document No.	Receipt No.	Posting Date	Amount	Gift Type	Payment Method	Reference
Payment	CD00000...	CR00000...	06/02/04	8.34	CORPOR...	CREDIT...	
Pledge	CD00000...	CR00000...	06/02/04	-100.00	CORPOR...	CREDIT...	
Gift	CD00000...	CR00000...	05/01/04	15,000.00	GENERAL	CHECK	
Gift	CD00000...	CR00000...	04/01/04	3,500.00	GENERAL	CREDIT...	

To accommodate virtually all possible data, no matter how trivial it may seem, top fundraising solutions provide blank, user-definable data fields. For example, a municipal zoo may create a data field to track favorite animals for each of their patrons; a museum may track its' supporter's favorite type of art and artist; and a hospital may find it beneficial to keep track of all diseases and health problems suffered by the donor's immediate family. How is this information used? Armed with this type of information, these organizations would be in a better position know which patrons would be more likely to participate in a fundraising dinner focusing on a particular animal, artist or specific disease. For example, a patron who is known to admire elephants would be more likely to attend a fund raising event focused on elephants; and a donor with a family history of cancer may be more likely to attend a fundraiser focusing on cancer.

The popularity of these fundraising solutions has soared over the past decade and many companies who employ these solutions firmly believe that they greatly enhance their marketing and fundraising efforts. Presented below is a list of selected fundraising features and functionality offered by Serenic's Constituent Management module:

Selected Fundraising Features Offered by Serenic Navigator
1. Manage donors, prospects.
2. Manage campaigns, including appeals and designations.
3. Manage gifts and gift matching information.
4. Manage pledges.
5. Track affiliations and relationships.
6. Mailing groups.
7. Organize and maintain communications.
8. Track questionnaires.
9. Events management.
10. Volunteer management.
11. Donor acknowledgement and receipts.
12. Merge to mailings and e-mails.
13. Matching gifts.
14. In-kind donations.
15. Giving reports year to date and life to date.
16. Gift frequency reporting.
17. Solicitation analysis.
18. Ticklers and reminders.
19. Pledge reminders.
20. Gift splitting.
21. Integration with Microsoft Office and Microsoft Exchange

ACCOUNTING FOR PLEDGES

A pledge is a promise, either written or verbal, to make a contribution at a later date. For example, a donor may pledge to make contributions totaling \$20,000 over the next five years. In another example, a donor may pledge to make contributions of \$100 each month through payroll deductions for the upcoming year. Pledges may also involve non-cash contributions, such as a pledge to donate an automobile at the end of the following year.

Not-for-profit organizations commonly solicit pledges from their patrons and donors, and these pledges are recorded in the accounting system as pledges receivable. These pledge receivables are similar to accounts receivable but there are several key differences. An account receivable represents a legal and enforceable obligation for a customer to pay monies to the vendor. Accounts receivable amounts are recognized as revenue as they are recorded in the system and late payments and are legally subject to late payment fees and interest charges. By contrast, pledges do not represent a legal and enforceable obligation to pay monies to the organization, and late payments of pledges are not legally subject to late payment fees or interest charges.

By reporting Pledges Receivable on the Balance Sheet, a not-for-profit organization shows the amount of pledged contributions it can reasonably expect to receive in the future. In the past, organizations have had some leeway in the timing of recognizing pledges as income, however in 1993, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 116, Accounting for Contributions Received and Contributions Made, which establishes firm guidelines for pledge accounting as follows:

- A pledge must be bona fide in order to be recorded in the accounting system. Some indicators that a pledge is valid include written evidence created by the donor using words such as promise, agree, or binding. A pledge that is legally enforceable would also be bona fide.
- Pledges are either conditional or unconditional. An unconditional pledge is a promise by a donor to give a gift to the not-for-profit organization in the future. The nonprofit does not need to meet any specific requirements before receiving the gift, and there are no other conditions stipulated by the donor. Statement 116 provides that unconditional pledges must be recorded in the financial record when they are made.
- A conditional pledge is contingent on the occurrence of an uncertain future event. For example, a donor might promise to contribute \$2,500 if the organization obtains a matching gift of \$2,500 from new sources. Statement 116 provides that conditional pledges be recorded in the books only when the condition is met, so this pledge would not be recorded as revenue until the matching gift is obtained. Once a condition has been met, the pledge becomes unconditional and should therefore be recorded in the books. Conditional pledges should be included in the footnotes to the financial statements to make readers of those financial reports aware of the conditional pledges.

It is important to note that pledges are recorded and recognized as revenue when the pledge is made, provided it is a bona fide pledge. For example, suppose a patron pledges a contribution in the amount of \$4,000 in 2005, but does not pay the pledge until 2006. In this case the revenue is recognized in 2005, not when the cash was actually received.

As an example of a conditional pledge, let us assume that a donor pledges \$30,000 to a school to pay for new computer lab on the condition that a new teacher is hired to staff that computer lab. In this example, this pledge would be mentioned only in a footnote until the school hires a new teacher for the computer lab. At that point the pledge would be recorded and recognized as revenue.

Accounting for uncollectible pledges is similar to accounting for uncollectible accounts receivable – in both cases an allowance account should be established to reflect the estimated amounts to be uncollected. For example, let us assume that \$100,000 in unconditional pledges were made to an organization and based on experience, it is reasonable to expect that 18% percent of these pledges will most likely not be collected. In this case, an expense account should be established to reflect an “allowance for uncollectible pledges” in the amount of \$18,000. This \$18,000 amount would be shown on the Balance Sheet along with Pledges Receivables of \$100,000 and Net Pledges Receivables of \$82,000.

CRITICAL “FOR-PROFIT” ACCOUNTING FEATURES

The features and functions described above are unique requirements of the not-for-profit industry that are not typically provided by ordinary “for-profit” accounting system solutions. However, there are many other additional key accounting features that one should consider in selecting a not-for-profit solution that are not necessarily unique to the not-for-profit industry. These particular features and functions are typically provided by some, but not all accounting systems designed for the “for-profit” community. Typically these features and functions are provided only by the stronger accounting software and ERP-class solutions. A list of these additional key features which we used as a basis to review Serenic Navigator is provided below:

Key For-Profit Accounting Software Features That are also Critical to Not-for-Profit Organizations
1. Account Number Segmentation.
2. Slicing and Dicing Data.
3. Allocations.
4. Project Management.
5. Customization.
6. Financial Reporting <ul style="list-style-type: none"> ▪ Crystal Reports ▪ Business Alerts ▪ Forward Looking Reports ▪ Office Integration ▪ Print To Screen ▪ Popular Reporting Tools ▪ Jet Reports ▪ Account Schedules
7. Budgeting.
8. Work Flow and Approvals.

ACCOUNT NUMBER SEGMENTATION

Account number segmentation was discussed above in conjunction with fund tracking, but this feature has wider sweeping implications that deserve further consideration. If an accounting system's account number structure is inadequate, no matter how superior the product may be in every other way that software solution should be eliminated from further consideration by not-for-profit organizations. The reason is that most large not-for-profits need at least four segments (or dimensions) in their account number structures to account for the account number. There is a very common need for additional segments to account for classifications such as programs, subsidiaries, territories, divisions, branches, departments, locations, cost centers, sources, etc. Government agencies have the same or similar requirements.

Many accounting software solutions, including some not-for-profit solutions, are limited to just two or three segments in the account number structure, thereby making them inadequate and unsuitable for use as a not-for-profit solution. Even if your current accounting system needs are met with two or three segments, why take the risk? It is possible that the size and sophistication of your organization may increase in the future, and therefore your organization may soon require four or more account number segments to accommodate these increasing needs.

Serenic Navigator meets this need well by providing ten (10) account number segments (dimensions) right out of the box and an unlimited number of segments can be added anytime simply by changing some setup options. Furthermore, Serenic Navigator supports dynamic account number segments, which means that all possible combinations of segments remain dormant in the system until a penny or more is posted to that account number combination. Only then is that account number combination included in calculations and reports. For example, an organization using a five-segment account number and 200 options per segment could theoretically produce 3.2 trillion different account number combinations (200^5), which would dramatically bog down the system if each possible account combination were involved. By recognizing account numbers dynamically, only those valid account number combinations in Serenic Navigator are included in these computations. For most organizations, it would be reason to expect to find between 500 and 10,000 active account number combinations.

SLICING AND DICING DATA

Reporting becomes more involved when programs, projects, and other dimensions are considered, especially when those programs and projects span multiple departments. Since many not-for-profit organizations account for departments, programs, and projects, their accounting system needs to be able to slice and dice the data accordingly. For example, consider a museum that operates multiple departments – a 200 year old historical home, a dinosaur exhibit, and an observatory to name a few departments. Further assume that the museum operates several annual programs including a school program and a Christmas program. Each year the museum invites school children to tour the exhibits during the year, and church groups to tour the exhibits during the Christmas season.

For example, tickets sold to schools and churches for field trips and tour groups will allow the museum to identify revenues generated by those respective programs. However, there will likely be certain expenses involved with these programs as well. For example, the old historical home may require a budget of \$5,000 in order to decorate the home in preparation for the Christmas program and the observatory may incur the cost of providing an expert astronomer to accommodate the school program. At the end of these programs, the museum needs to be able to produce revenue and expense reports for each department (referred to as slicing the data) as well as for each program that spans across multiple departments (referred to as dicing the data).

ALLOCATIONS

As alluded to in the previous discussion concerning departments, projects, and programs, the ability to allocate revenue and expenses is just as important to not-for-profit organizations, as it is to larger “for-profit” organizations. The reason for this is simple. Each time a not-for-profit organization receives funds or pays a bill, it typically needs to spread that revenue or cost over multiple departments, projects, or programs. The complex and involved process of allocating each revenue or expense transaction across multiple departments, projects or programs is not practical for two reasons. Firstly, most not-for-profit organizations receive far too many receipts and write far too many checks to make it practical to allocate those costs each time a transaction is recorded – the sheer volume of transactions make this process impractical and unreasonable to tackle on a transaction by transaction basis. Secondly, the basis used for allocating revenues and expenses is typically based on amounts that are not necessarily known until the end of the reporting period.

For example, assume that on July 2, a not-for-profit organization receives a \$12,000 invoice for this month’s rent, and this amount is typically allocated across the organization’s 36 departments based on total revenues received for each department. Not only would spreading this transaction, and others like it across 36 account numbers be impractical, but it is impossible to achieve until the end of the period when all revenues per department are known. Without the benefit of an automatic allocation routine, the process of allocating administrative overhead expenses each period could be a formidable task requiring significant effort. However, publishers of accounting systems have found that the process of providing allocation capabilities is not so easy because companies and organizations alike employ complex and sophisticated allocation calculations. Some entities allocate costs based on revenue, others use expenses, and still others use statistical amounts such as the number of hours worked, units produced, profit margins, and other factors. Therefore in order to adequately meet this need, accounting software publishers must provide extensive tools for gathering data, performing complex calculations, and then translating those results into actual allocation entries in the general journal. Typically these results are available for review and approval before posting to the system.

Serenic Navigator includes a full range of allocation capabilities and procedures to accommodate this particular need. For example Serenic Navigator provides functions to calculate the interest earnings on multiple endowments using average daily balance calculations. Further, simple line allocations can be used to allocate a phone bill based on the number of phones in each department. The “Line Allocations by Department” screen below depicts how allocations are created.

This screen shows a simple allocation across three departments using fixed percentages. Allocations can be based on more complex criteria such as derived (or calculated) percentages, fixed amounts, markups, or combinations of these criteria.

Because Serenic Navigator supports an unlimited number of segments in the account number structure, and each segment can be of an unlimited size, there are virtually no restrictions in regards to setting up a company, tracking segments (such as departments, funds, territories, types, locations, countries, divisions, projects, etc), performing allocations, and producing financial reports.

PROGRAM AND PROJECT MANAGEMENT

Project Management is crucial for many not-for-profit organizations because funds provided to that organization are commonly used for projects that span multiple fiscal years. In order to properly track the sources and uses of funds, project management solutions are a necessity. For example, an organization may receive monies to be used to study a certain aspect of human behavior over the course of many years. These monies may be received periodically, and expended throughout the life of this study. By establishing a project to capture all funds received and expended, the system can provide project reports on a monthly, quarterly, yearly, or life-to-date basis; and those reports should contain comparisons to original and revised budgets.

From an accounting system perspective, providing a deep and proven project costing solution is a tough order because there are many features and functionalities that must be intricately integrated into the accounting system. For example, some of the key project costing features you should look for when evaluating this function are as follows:

Key Project Management Features and Functionality
1. Job estimating.
2. The ability to convert estimates to budgets.
3. Multiple budget revisions.
4. Resource availability.
5. Project costing by phase, sub phase, and step (activity).
6. Approval for each phase, sub phase, and step (activity).
7. Classification of labor.
8. A variety of revenue recognition methods.
9. Allocation of overhead based on user defined formulas.
10. Project costing based on job-to-date, entire project, calendar year, fiscal year, and user defined time periods.

Serenic Navigator offers all of these project costing features specific to the not-for-profit industry, as well as those project costing features typically required of “for-profit” entities.



CUSTOMIZATION CAPABILITIES

One of Serenic Navigator's best features is the product's built-in customization capabilities; the product is easily one of the most customizable not-for-profit solutions on the planet. Serenic's customization capabilities are rooted in the Navision philosophy of providing end users with tools and capabilities that allow an unlimited number of quick and easy customizations. Interestingly, Navision's own customization tools are the same tools used by Serenic programmers to enhance and transform Navision Software from a world class financial accounting system into a world class not-for-profit solution.

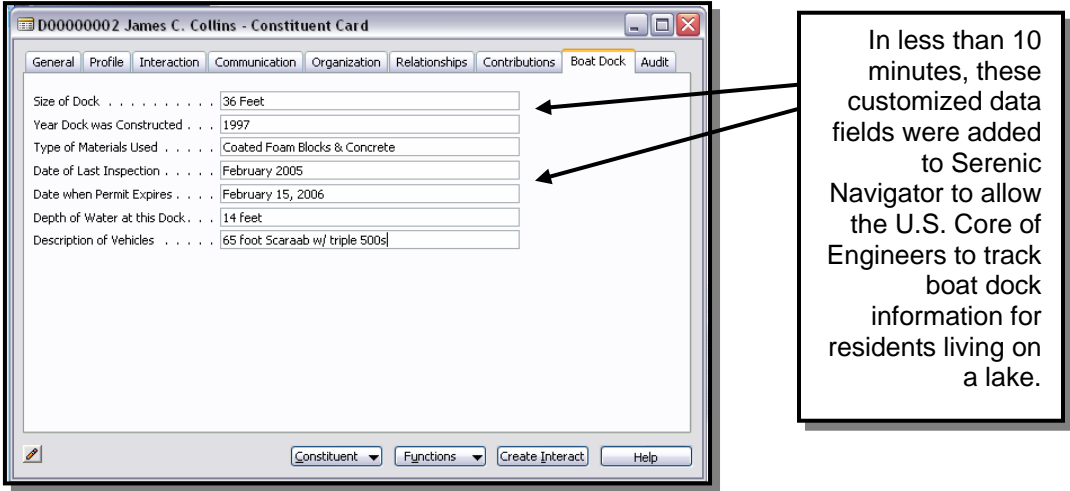
Many accounting system developers concluded more than a decade ago that the process of adding a never-ending stream of enhancements to any accounting system eventually results in "bloatware" - a bloated solution that is so cluttered with features that the product is difficult, if not impractical, to use. To alleviate this problem, long ago Navision developers adopted forward-thinking philosophy of providing core features, coupled with built-in tools designed to allow end users to customize the product specifically for their needs. This approach allows end users to meet approximately 80% to 85% of their needs right out of the box, or approximately 90% to 95% of their needs using the built-in customization tools. The example scenario presented below provides a basic understanding of how this process works.

Assume that Serenic Navigator is implemented by the local U. S. Corps of Engineers office that oversees and manages a large lake. In this case, the agency has identified specific customized additions to the system that would be beneficial. For example, one of the functions of the agency is to license and inspect the various boat docks of residents who live on the edge of the lake. Using Serenic Navigator's built-in tools, the agency could easily add new data fields to collect pertinent information such as the following:

*Examples of User Defined Data Fields
that Might be used by the U. S. Corps of Engineers*

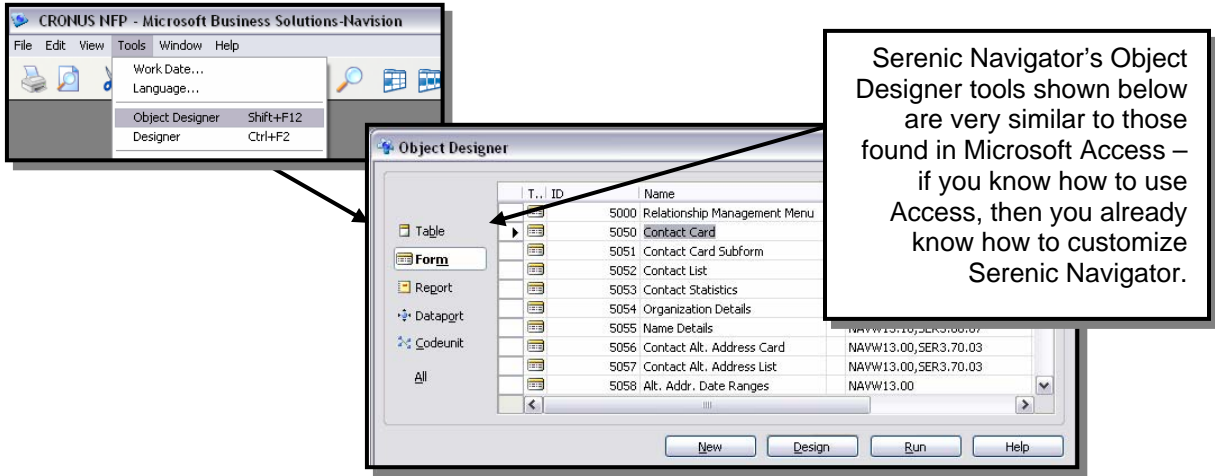
1. Size of the dock.
2. Year the dock was erected.
3. Type of materials used.
4. Date of the last inspection.
5. Date when the current dock permit expires.
6. Depth of the water at this dock location.
7. Description of all vehicles docked at this particular dock.

All of this additional customized data would benefit the U. S. Corps of Engineers in rendering their services. The image below shows the resulting Serenic Navigator screen which was set up to include all of the above mentioned features in less than 10 minutes by a non programmer.



All organizations have the need to collect, maintain, and report a bevy of unique information about customers, inventory items, vendors, employees, etc. The ease in which Serenic meets complex customization needs is frequently a deciding factor in the accounting software purchase decision – it is a common deal closer. Consider further that the agency referenced in the above example may also wish to maintain extensive data regarding each bridge, dam, and marina, in addition to information about water purity measurements, water levels, tree line measurements, boating accidents, fish and wildlife data, and more – the Serenic system’s customizations capabilities are limited only by the imagination. Presented below are a series of user screens that depict the complete customization process.

The screen above shows the original Serenic Navigator screen for capturing data for all lake residents. The first step is to launch the Object Designer application as shown below:



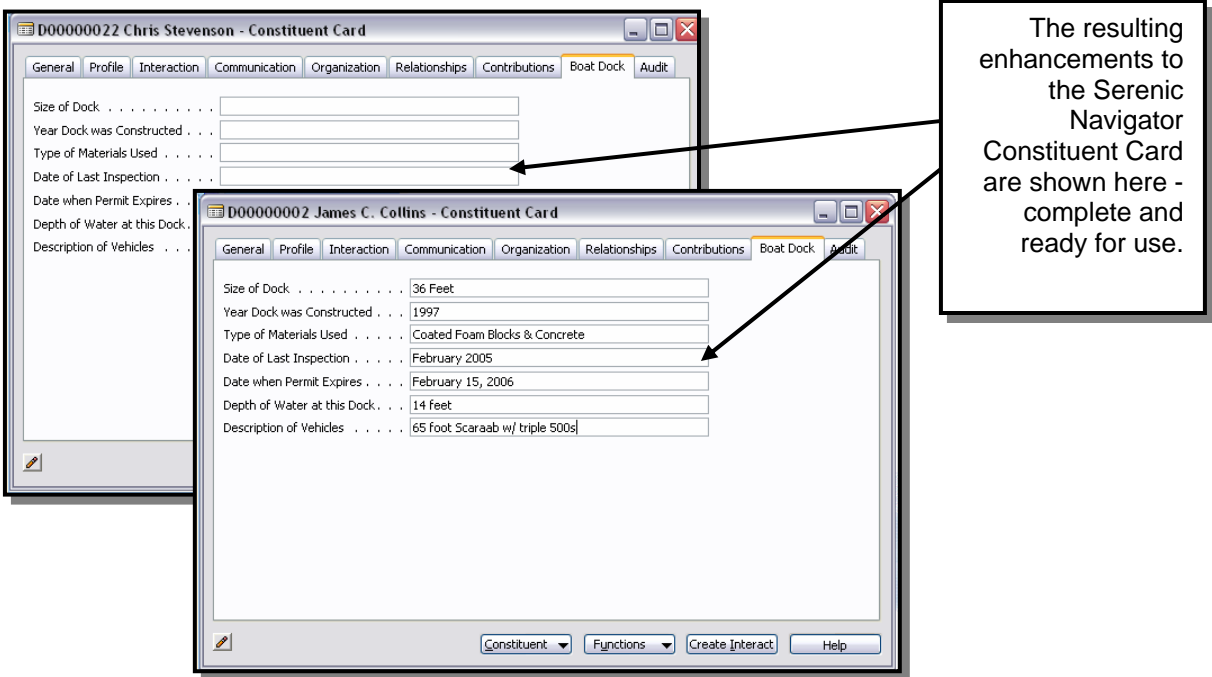
As you can see in the screen shot above, the Object Designer is similar to Microsoft Access, and works almost the same way. Those who are already familiar with Microsoft Access find it very intuitive to work with the Serenic Navigator customization tools. Those who are not familiar with these types of tools report that they are relatively easy to learn. The next step in our customization example is to create the new data fields that the agency would like to included in the Serenic Navigator system. This process involves typing in the name of each new field, and indicating its type and field length.

Field No.	Field Name	Data Type	Length	Description
37001708	Recovery Strategy Desc.	Text	50	#01 ff
37001709	Utility Comment	Boolean		#01 ff
37001710	Final Recovery Strategy ID	Code	10	#01
37001711	Allow Estimated Invoice	Boolean		#01
50002	Size of Dock	Text	30	
50003	Year Dock Was Constructed	Text	30	
50004	Type of Materials Used	Text	30	
50005	Date of Last Inspection	Text	30	
50006	Date Permit Expires	Text	30	
50007	Depth of Water at This Dock	Text	30	
50008	Vehicle Descriptions	Text	30	

Here we see new data fields have been created in the customer table. Notice that end users number their objects between 50,000 and 100,000, which prevents their customizations from clashing with objects created by the publisher.

The final step involves the placement and positioning of these newly created data fields on the appropriate user screens and reports throughout the Serenic Navigator system. As shown below, the newly created data fields are simply dragged from the field menu and positioned onto the appropriate user screens using the common Windows "drag and drop" routine. The result shown below is an accounting system that not only offers strong core functionality, but offers additional functionality specific to the end user's needs as well.

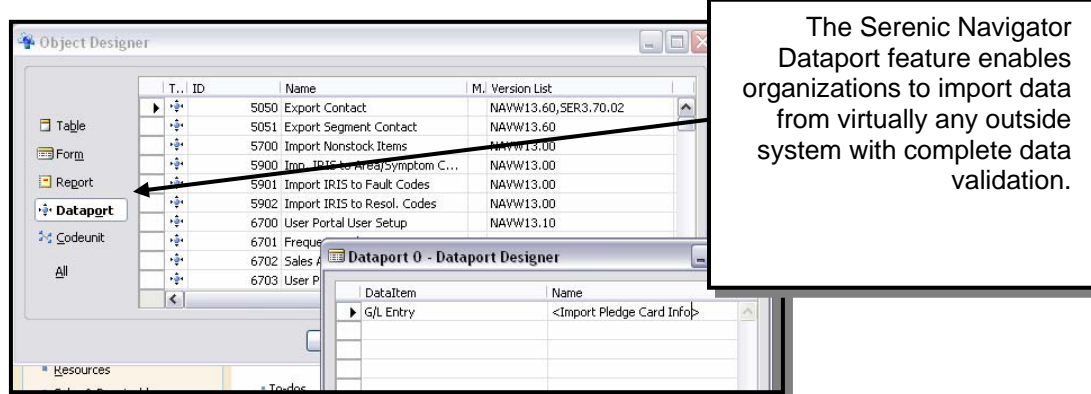
In this screen we see the data fields created in the customer table being copied and pasted onto the Serenic Navigator Constituent Card. Upon closing this screen the system is now ready to capture new information.



In today's accounting software industry, the ability to customize the accounting system and tailor it to meet the individual needs of an organization is widely considered to be the pinnacle of accounting system design. The reason is that every business is unique in some way, and this approach allows end users to meet those unique needs. In the case of Serenic Navigator, the system's customization capabilities are particularly coveted for the following reasons:

1. The tools are quick and easy to learn and use because they are similar to the database development tools found in Microsoft Access.
2. The number of customizations are virtually unlimited as the underlying Navision product is designed to allow end users to make up to 50,000 changes to the core system.
3. Customizations are not lost when the user migrates to newer versions of Serenic Navigator. Previous customizations can be exported and then imported into newer versions of the product. Serenic Navigator employs an elementary rule to make this possible. Serenic Navigator is an Object oriented system and the core product is built using objects numbered 1 thru 9,999. Localization and country specific enhancements are created using objects numbered 10,000 thru 49,999. End user customizations are made using objects numbered 50,000 thru 99,999. In this manner, enhancements to the Serenic Navigator system made at the core, country, or end user level do not conflict with one another. This results in a simple, yet elegant strategy for accommodating enhancements made by different groups.
4. Serenic Navigator's customization tools allow users to not only add new data fields to the system, but users can change any existing field as well. For example, "Donors" could be renamed as "Patrons", "Members", "Associates", "Constituents", Taxpayers, "Residents", "Visitors", etc. The end user has complete control over the system.

5. Serenic Navigator's customization tools allow the user to create new tabs in a dialog box, as well as new dialog boxes, tables, and reports. In effect, if you can imagine a particular solution, you can create that solution in Serenic Navigator.
6. Serenic Navigator's customization tools include a "Dataport" feature that imports data into the system from virtually any remote source, complete with data verification. This single feature makes it easy to integrate Serenic Navigator with any third party, or home grown application you have. The screen below shows the Dataport creation screen:
7. Microsoft SQL Server views allow organizations to access data directly from in-house or other 3rd party applications within Serenic Navigator. Link server functionality built into the Navision base product provides the capability to define Microsoft SQL server views linked to Oracle, Sybase, or any other ODBC compliant database and then use this data as if it was part of the core Navigator product. This means users are able to create forms, reports, or develop business logic within Serenic Navigator based on data from a completely separate application.



FINANCIAL REPORTING

Financial Reporting is the most important function of any accounting system. According to Keiso-Weygandt's *Intermediate Accounting* text book, "the primary objective of an accounting system is to summarize detailed transactional data into useful reports that management can use to run their business". Many publishers of accounting software seem to have missed this point, and as a result, their systems fail to produce superior financial statements and executive reports. However when it comes to "financial reporting", Serenic Navigator earns high marks. Presented below are a series of discussions that describe the various reporting capabilities of Serenic Navigator.

Crystal Reports

Serenic Navigator works well with Crystal Reports, an industry standard report writing tool that enables the user to extract virtually any data out of Serenic Navigator to produce full color presentation-quality output including tables, charts, graphs, maps and even vector based images. Crystal report formats include XML, PDF, HTML, CSV, ODBC, record style, Microsoft Access® and Microsoft Excel®. In many accounting software products all of the reports including check forms, invoices, packing slips, etc. are written in Crystal Reports, which makes it easy to edit these reports or add additional reports.

Business Alerts

With today's advances in technology, accounting systems should automatically monitor hundreds of critical measurements of your business on a continual basis and bring those measurements to your attention, should they deviate from desired levels. For example, your accounting system should be able to automatically warn you in the event that cash balances fall too far, inventory levels fall too low, or gross margins declined below acceptable levels. These events should trigger e-mails which are sent to the appropriate personnel in a timely manner so they can take corrective measures. This type of event triggered reporting is referred to in Serenic Navigator as the Business Notification module. Using this type of reporting technology, Serenic is able to monitor hundreds of critical life signs within your organization on a real-time basis, and signal the appropriate warning signals in the event that those life signs waiver.

Jet Reports

Jet Reports provides the capability to import and link directly to Microsoft Excel to create the exact reports, graphs and charts you desire. Jet Reports provides 25 pre-built reports including financial, inventory, sales, customer, budgets, and fund information and data, and end users can use the Jet Report tools to create an unlimited number of additional reports. Once created, the reports are linked to the Serenic Navigator system, and the data is automatically updated as the report dates are changed and refreshed. Thereafter the power of Excel allows you to password protect reports, e-mail reports, create pdf files, or even publish reports directly to the Internet as web pages. An example report produced by Jet Reports is shown below.

CRONUS USA, Inc.															
Income Statement															
Sales - Department Total															
For the Month Ended Sunday, June 30, 2002															
	Trend Results			Current Month - June			Year-to-Date - June			Quarterly Results					
	April	May	June	Actual	Budget	Variance	Actual	Budget	Variance	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun		
Revenue															
Jobs															
Resources															
Material	636,760	1,012,844	602,766	602,766	(293)	603,019	4,850,702	(1,744)	4,852,446			2,536,532	2,314,910		
Retail	158,817	166,736	95,084	95,084	(322)	95,407	979,637	(1,882)	981,520			558,938	420,699		
Other Revenue	27,479	32,400	32,017	32,017	(302)	32,519	176,538	(1,801)	178,339			79,543	96,596		
Total Revenue	823,056	1,211,980	729,867	729,867	(878)	730,945	6,006,877	(5,428)	6,012,305			3,175,413	2,831,464		
Direct Costs															
Resources															
Capacity Cost															
Material	445,400	377,677	447,744	447,744	491	(447,253)	2,734,764	3,328	(2,731,436)			1,483,363	1,270,821		
Retail	121,669	106,509	122,656	122,656	626	(122,028)	741,779	3,673	(738,106)			390,944	350,834		
Variances															
Total Direct Costs	566,969	484,256	570,400	570,400	1,119	(569,281)	3,476,563	7,001	(3,469,562)			1,874,307	1,621,655		
Gross Profit	318,087	732,278	159,467	159,467	(1,997)	161,463	2,530,314	(12,429)	2,542,743			1,301,106	1,209,809		
General Expenses															
Selling Expenses	10,075	12,507	12,576	12,576	304	12,272	71,788	1,849	69,939			38,630	35,157		
Personnel Expenses	119,873	111,163	212,353	212,353	486	211,867	791,618	3,053	788,565			348,223	443,395		
Vehicle Expenses	765	1,874	1,437	1,437	278	1,159	6,856	1,797	5,059			2,780	4,076		
Computer Expenses		1611	5,339	5,339	290	5,049	12,878	1,703	11,175			5,528	6,950		
Building Maint. Expenses	23,373	22,335	27,025	27,025	322	26,703	149,090	1,789	147,301			75,758	73,333		
Administrative	5,288	6,565	6,501	6,501	328	6,273	37,893	1,917	35,976			19,228	18,455		
Fixed Asset Depreciation	65	1,144	1,144	1,144	300	844	2,483	1,792	691			100	2,353		
Other General Expenses	707	7,013	5,050	5,050	525	4,525	16,063	3,027	13,036			3,282	12,771		
	160,146	164,817	271,526	271,526	2,833	268,693	1,088,459	16,937	1,071,522			491,970	598,469		
Departmental Profit	\$ 157,921	\$ 567,459	\$ (112,060)	\$ (112,060)	\$ (4,830)	\$ (107,230)	\$ 1,441,855	\$ (23,366)	\$ 1,417,221			\$ 628,535	\$ 613,320		
Departmental Profit %	17.8%	46.8%	-15.4%	-15.4%	590.1%		24.0%	541.0%				26.1%	21.7%		

Because Jet Reports uses Microsoft Excel as the workspace, there is no new programming language to learn. Jet Reports enables you to simply drag and drop data fields from your tables, flow fields, custom fields, custom tables and dimensions right into Excel, and instantly your report is done. You can build reports using data from multiple databases to consolidate financial information; and if your data resides in different types of databases, you can access differing databases using the Jet Reports Universal Connector.

Forward Looking Reports

Imagine what might happen if you were to drive down the road looking in your rear view mirror at where you have been, instead of driving down the road looking out your windshield to see where you are going. If you did this, you would not be able to see approaching obstacles, and you may even suffer a severe crash. A similar situation can occur related to financial reporting. An organization that only looks backwards (using historical cost accounting reports) and fails to look ahead (using projections and forecasts) is sure to run into unforeseen obstacles; they may even suffer a severe crash. Cash flow shortfalls, declining profit margins, and runaway budgets can take their toll on the financial health of an organization. Forward looking reports help organizations better identify future problems in time to take corrective action.

Serenic Navigator provides a wide assortment of forecasting and projection capabilities to meet this need. For example, Serenic Navigator will forecast cash flow based on due dates of outstanding receivables based on the customer's payment history. The system will also forecast production, resource requirements, and budget demand. For those organizations that maintain inventory, Serenic Navigator can even forecast demand for inventory items based on complex user defined formulas, adjusted for seasonal variations, and forecast items by location and time periods. If desired, the system can create automatic purchase orders based on forecasts.

Office Integration

Serenic Navigator is ODBC compliant (ODBC is an acronym for "Open Database Connectivity"). This means that data can be extracted and hot-linked directly from the accounting software database into other ODBC compliant applications such as Microsoft Excel. For example, from Excel's Data menu, users can select the "Import Data" option, browse to the Serenic Navigator databases, and scroll through a list of the data tables contained in those products. Users can then select fields from those tables (up to 256 total fields at a time) and the resulting data is automatically extracted from the accounting system and displayed in Excel. Not only is that data displayed, but it is also hot-linked to the source. By pressing the "Refresh Data" button in Excel, the data is automatically updated. Because Microsoft Excel is the ultimate tool for analyzing data, ODBC compliance is a crucial capability to look for when selecting a not-for-profit accounting software solution and Serenic Navigator easily passes this test.

Print to Screen Capabilities

An important aspect of financial reporting is the ability to print subsidiary reports and financial statements to the screen. Good "print to screen" capabilities can reduce or eliminate the need for printing to a printer. The printing process is an inefficient process that is slower and uses paper, toner, and results in additional wear and tear on the printer. Additionally, reports printed on paper can not be imported into a spreadsheet, and must be manually delivered, filed, maintained, and ultimately shredded. For these reasons it is preferable to avoid printing reports unless absolutely necessary. However to be most effective, reports printed to the screen must be drillable, filterable, forwardable via e-mail, modifiable, and scrollable without losing column headings and row descriptions. Serenic Navigator provides all of these "print to screen" capabilities and more.

Reporting via E-Mail

Today there is a significant corporate trend towards operating a paperless environment, and Serenic Navigator offers features and functions to help users follow this trend. Specifically, Serenic Navigator allows users to share invoices, statements, reports and financial information instantly through e-mail. Historically, companies have printed reports on paper and shared them with others by making copies and

distributing them by hand, through the mail or by some other means. However this paper-dependent method is now considered to be obsolete by many for the following reasons:

1. Printed Reports Cost More Than Electronic Reports - Paper costs, toner costs, wear and tear on printers, labor intensive delivery, physical storage costs, and ultimately disposal costs all cost money. Even the task of running down to the local supply shop for more paper has a cost. In the 1980's, Xerox Corporation estimated the costs associated with a single document to be as much as \$52. Today similar studies associated with electronic documents place that estimate well under a dollar.

2. Electronic Reports Are More Versatile – In Serenic Navigator, reports printed to the screen can be drilled by double clicking on amounts, and filtered by using the built-in flow filtering tools. Electronic reports can be sent to Microsoft Excel with the click of a button to further modify the report, chart the results, or generate “what if” scenarios. Electronic reports can be sent via e-mail to interested parties, and data archival is more easily accomplished in an electronic environment. Electronic reports are available to all parties instantly when needed, while printed reports are usually maintained in closets or filing cabinets where foot steps and labor are often involved in data retrieval.

3. How Printed Reports Affect the Environment – Printed reports require paper which of course comes from trees. As trees are harvested, habitats are disturbed and harsh chemicals are used to process the pulp. As printed materials are discarded, they are typically burned or heaped into landfills. The toner printed on the paper can contain hazardous chemicals which can be released into the atmosphere when burned, and can seep through landfills and enter the water supply.

The key points are that Serenic Navigator's paperless reporting options are less expensive, better and kinder to the environment. However, when printed reports are needed, Serenic Navigator does provide the ability to print any report on paper.

Other Popular Reporting Tools

In addition to the reporting capabilities listed above, Serenic Navigator works well with other popular reporting tools such as CFO Vision, Business Framework Series, F9, and Hyperion Enterprise. Each of these solutions is highly respected and together they meet a wide variety of unique and complex financial reporting needs. Serenic Navigator is also able to produce XBRL enabled reports and OLAP Data Cubes.

Financial Reporting Conclusion

Serenic Navigator offers a wide range of reporting features and capabilities. Coupled with the product's robust account number structure, there is virtually no report that cannot be produced using Serenic Navigator, or one of its numerous optional reporting tools. Organizations in the process of evaluating not-for-profit solutions would be well advised to look for these types of reporting capabilities in the products they evaluate before making their final selection decision.



BUDGET PLANNING AND CONTROL

While the Budgeting process is important to all companies, budgets are more important to not-for-profit organizations because once they are officially approved and adopted, they become legally binding. For this reason, it is important for not-for-profit organizations to maintain, track, and report budgets. To be most effective, a good budgeting system should provide a wide assortment of budget features. Presented below is a summary of the key budgeting features you should look for when evaluating a not-for-profit solution. Each of these budgeting features is provided by Serenic Navigator.

1. **Integrated** - The budget system should be integrated with the accounting system; it should not be maintained in an outside budgeting system. The benefit of an integrated budget system is that the accounting system can then produce a wide assortment of budget-to-actual comparative financial reports.
2. **Stratified** - Budgets should be well-stratified (or categorized multiple ways). For example, budget data should be categorized by month (or reporting period), and by segments (such as departments, projects, programs, funds, etc.)
3. **Revisions** - The system should provide the ability to create multiple budget revisions and maintain all budgeting history. This is important because conditions sometimes change rendering original budgets invalid. For example, an epic disaster such as a hurricane or tsunami may have a tremendous impact on a charitable organization's donations and expenditures, rendering old budgets obsolete. In such instances, it is prudent to generate revised budgets. Economic conditions can change multiple times throughout the year and they often do. For this reason it is more realistic to consider the budgeting process to be an ongoing process, rather than a one-time event which occurs at the beginning of each year.
4. **Reporting** – Budget amounts should flow easily to, and be included in financial reports. The system should produce a wide variety of comparative reports such as “actual-to-budget” comparisons, “budget-to-prior-year-budget” comparisons, and “actual to budget to revised budget” comparisons. These reports should also present differences in amounts and percentages, by row; and should be available across separate segments such as departments, divisions, programs, funds, etc).
5. **Roll Up** – Budgets should be created by levels, and rolled up into various levels of reporting. For example, a world wide charity with hundreds of locations would typically maintain separate departmental budgets for each location by state, region and country. The accounting system should allow the entity to roll up all actual and budgetary data to produce reports by individual locations as well as by state, region and country.
6. **Budget Change Audit Trails** – The system should track changes to budget and maintain an audit trail.
7. **Budgetary Control** – Once budgets are established, the system should proactively check budget availability, provide user-defined alerts for budget exceptions, and maintain a history of exceptions and alerts.
8. **Multi-Year Budgeting** – The system should be able to accommodate budgets across fiscal years in order to budget grants. In Serenic Navigator, this is handled by using the life to date options.
9. **Statistical Amounts** – It is often useful for an organization to budget non-financial amounts in addition to financial amounts. Non-financial amounts are commonly known as “statistical

amounts”. As examples, a homeless shelter might budget the number of residents they expect to serve, or the number of meals they expect to provide; an association might budget the number of new members they expect to recruit; and a charity might budget the number of magazine subscriptions they expect to sell.

10. **Variable Budgeting** – Associated with the ability to track statistical data is the ability to produce variable budgets – budgets that adjust themselves automatically based on changing levels of statistical data. For example, as a charitable organization sells more light bulbs, the organization’s budget for revenues and expenditures would adjust accordingly based on the number of light bulbs sold.
11. **Budgeting Activities** – In addition to budgeting financial and statistical amounts, some budgeting systems allow for the budgeting of specific activities, campaigns, and capital projects.
12. **Tools** – To aid in the budgeting process, it is helpful for the system to provide user tools for inputting budget data. For example some systems enable the user to input one amount for the first month, and that amount can then be automatically replicated, or increased by a fixed percentage or amount, to fill in the remaining months.
13. **Balance Sheet Budgeting** – In addition to budget revenues and expenditures, many not-for-profit organizations find it necessary to budget balance sheet items such as cash and receivables as well.
14. **Import from Spreadsheet** – Microsoft Excel is the world’s most popular tool for creating budgets and therefore a good budgeting system will support the importing of data from this environment.

The Serenic Navigator budgeting screen is shown below:

The screenshot shows the Serenic Navigator budgeting interface. At the top, there are tabs for 'General', 'Dim Filters', 'Budget Filters', and 'Options'. Below these are input fields for 'Budget Name' (set to 2003), 'Date Filter', 'Fund Filter', 'G/L Account Filter', 'Show as Lines', 'G/L Account', and 'Show as Columns'. The main area is a budget table with columns for months (12/01/02, 01/01/03, 02/01/03, 03/01/03, 04/01/03) and rows for various budget categories. A callout box on the right lists features: 'The Serenic Navigator Budgeting Screen provides the ability to view budgets by day, week, month, quarter or year. Functions allow users to copy columns, reverse columns, import or export to Microsoft Excel, create budgets from histories, enter budgets by department, fund, division, etc.'

Code	Name	Budgeted Amount	12/01/02	01/01/03	02/01/03	03/01/03	04/01/03
3400	Total Net Assets						
4000	Revenue						
4010	Contributions						
4015	Contributions, Individual	-152,000.00		-152,000.00			
4020	Contributions, Corporations	-164,550.00			-164,550.00		
4025	Contributions, Foundations	-1,799,225.00			-1,799,225.00		
4099	Total Contributions	-2,115,775.00		-2,115,775.00			
4100	Grants & Trusts						
4110	Trust Income	-122,000.00		-122,000.00			
4120	Grant & Contracts						
4130	Federal Grants						
4140	State Grants	-105,000.00		-105,000.00			
4199	Total Grants & Trusts	-227,000.00		-227,000.00			
4200	Membership						
4210	Life Memberships	-230,000.00		-230,000.00			
4220	Annual memberships	-3,000.00					
4299	Total Membership	-233,000.00		-233,000.00			
4300	Events						
4310	Registration Fees	-3,000.00		-3,000.00			
4320	Conferences	-1,960.00		-1,960.00			
4330	Dinners	-11,200.00		-11,200.00			
4340	Classes						
4399	Total Events	-16,160.00		-16,160.00			

Serenic system allows budgets by groups, users and items, and integrates with other third party budgeting systems. When it comes to the budgeting process, no other product does a better job of meeting the needs of the not-for-profit organization.

WORKFLOW AND APPROVALS

Workflow and approval features are rarely found in today's accounting software solutions, even among the world's top selling solutions. Companies and organizations have frequently shelled out millions of dollars in order to purchase an accounting system or ERP solution containing these features. Yet, Serenic Navigator provides some of the best workflow and approval capabilities in the business today at far more affordable prices. What are workflow and approval features; and what are the benefits? This category of features encompasses many different aspects of an accounting system and accordingly, no single definition adequately describes workflow and approval features. However the general premise is that as work flows through an organization, it is subject to various rules and approvals. For example, let us assume that Andy is an accounts payable clerk who opens the mail and inputs invoices directly into the accounting system. This task seems simple enough, but many complex implications can arise from this simple and ordinary process. For instance:

1. **High Dollar Invoices** - Because Andy is new to the organization, his authority to input invoices that are automatically approved is limited to a reasonable amount of \$2,000. This means that Andy can enter invoices of any amount into the system, however in the event that an invoice exceeds Andy's predetermined amount, Serenic Navigator automatically routes this invoice to Andy's supervisor for approval. This feature helps protect the organization from processing larger invoices without first undergoing a series of proper checks and balances.
2. **New Vendors** – In the event that an invoice is received from a new vendor, Serenic Navigator allows Andy to create the new vendor, and enter invoices against that new vendor. In this case the system automatically routes a request for approval to set up this new vendor to Andy's supervisor. This procedure helps protect the organization against the creation of and payments made to unauthorized vendors. This also gives Andy's supervisor a chance to review Andy's work for completeness and accuracy.
3. **Validation** – Suppose that Andy receives an erroneous invoice from the building's landlord for an amount that is much higher than normal. Because Andy is new to the organization, he does not detect the overbilling error and he proceeds to enter the invoice into the system. In this case, Serenic Navigator workflow rules can flag items that differ greatly from the budgeted amount, and automatically escalate those items to the appropriate supervisor for review. This process detects overbillings and helps prevent an organization from paying amounts that are larger than expected.
4. **Accountability** – As Andy enters invoices into the system, Serenic Navigator documents the date, time, and employee name related to that transaction. In this regard, management can later trace improper or erroneous invoices to the person responsible for entering that transaction. This type of accountability not only provides a deterrent to employees from abusing the system, but it can help management identify unqualified personnel, or situations which may require additional user training.
5. **Notification** – Workflow rules can also be used for informational purposes, and this is often one of the best uses of these types of tools. For example, the CFO may wish to be notified any time an invoice greater than \$10,000 is entered into the system. Using the Serenic Navigator workflow tools, the system can be set up to automatically notify the CFO through e-mail of these events.

Likewise, supervisors may wish to be notified each time a new vendor is set up, or when invoices are posted in the system.

- 6. **Employee Management** – Workflow features can be applied many other ways as well. For example, in the event that Andy requests vacation time from his supervisor, Serenic Navigator processes this request electronically, routing the request to Andy’s supervisor for the proper approvals.

The image displays three overlapping screenshots from the Serenic Navigator software interface. The top-left screenshot shows the 'PURCHASE - Business Rule Card' with the 'Procurement' tab selected. It features a table for 'PROCUREMENT RULE SETUP' with columns for 'From Amount', 'To Amount', and 'Purchaser Code'. The second screenshot shows the 'Approval' tab of the same 'PURCHASE - Business Rule Card', with a table for 'APPROVAL RULE SETUP' including columns for 'App. Effective...', 'From Amount', 'To Amount', and 'Workflow Routing Code'. A callout box points to the 'EXECUTIVE' entry in this table. The bottom screenshot shows an 'Email Action List' dialog box with a list of codes and descriptions, including 'APPGENJNL' for 'Approval Gen. Jnl.'. A callout box points to this entry.

Serenic Navigator offers numerous workflow tools. These screens depict the set up of a trigger whereby purchases in excess of \$1,000 are escalated to an executive for approval, and a corresponding e-mail alerts management of these specific events or conditions.

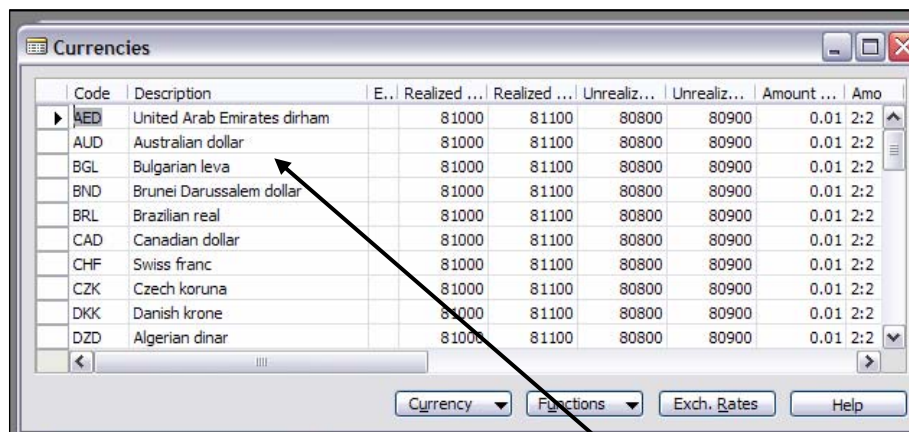
The example screens provided above apply to just one data entry clerk; however these same types of workflow and approval rules can be applied to every employee and for every function including billing, inventory, projects, payroll, and more. The benefits derived from using workflow and approval rules are limited only by the user’s imagination and creativity.

LANGUAGES SUPPORTED

Serenic Navigator is currently available in at least ten different languages (English, Chinese, French, German, Greek, Italian, Japanese, Russian, Spanish, and others) and English versions are provided featuring both U. K. and Canadian terminology.

MULTI-CURRENCY

Serenic Navigator offers a wide array of multicurrency capabilities including support for currency exchange rates applied on a daily basis, fiscal period averages, or user defined time period averages. Because Serenic Navigator supports up to eighteen (18) decimal places, it is better equipped to handle multiple currencies and the inevitable fractions that occur when monies are translated from one currency to another. Serenic Navigator supports an unlimited number of currency exchange rates and these exchange rates can be imported directly into the system. Serenic Navigator also provides the ability for specific currencies to be entered by default for each company, customer, or vendor. For example, when a Serenic Navigator payables clerk records an invoice from a Mexican corporation, that invoice is automatically recorded in Pesos, and Serenic Navigator automatically converts the Peso-based order to the base currency for reporting purposes. This enables Serenic Navigator users to communicate with customers and vendors in the currencies preferred by those customers and vendors, and still record transactions in the base currency with no additional effort. This is considered by many to be an elegant solution for accommodating this common type of situation.



This screen allows users to set up multi-currency. Currency conversions can be based on buy rates, sell rates, or the average between the two. Exchange rates can be imported automatically or entered manually.

Serenic Navigator supports allocations across multiple entities, even if each entity uses a different currency. This depth of solution is a savior to many larger companies that sustain numerous operations using multiple currencies.

SELECTING A NOT-FOR-PROFIT SOLUTION

World wide, there are relatively few true not-for-profit solutions in the marketplace. While some products claim to offer not-for-profit features and functionality, most solutions fall well short of meeting the needs. For your benefit, presented below is a table summarizing the major solutions available today which are purported by their publishers to be suitable for use by not-for-profit organizations. We have informally ranked these products based on the work we performed according to their features, functionality, and other intangible factors. This is not a scientific ranking, rather it is our opinion regarding the suitability of each of these products for use by not-for-profit organizations based on a limited review of these products.

LIST OF POPULAR NOT-FOR-PROFIT SOLUTIONS

	Product Name	Web Site	Not-for-profit	Governments	Churches	Fund Raising	Other
1	Serenic Navigator	http://www.serenic.com	✓	✓	✓	✓	✓
2	Blackbaud	http://www.blackbaud.com	✓	✓	✓	✓	✓
3	B2P NonprofitBooks	http://www.nonprofitbooks.com/	✓	*	✓	✓	✓
4	Great Plains	http://www.microsoft.com	✓	✓		✓	✓
5	MIP	http://mip.com	✓	✓		✓	✓
6	Cougar Mountain	http://www.cougarmtn.com	✓	✓	✓		
7	Araize Fast Fund	http://www.araize.com	✓		*	✓	
8	AccuFund	http://www.accufund.com	✓	✓			
9	ForFund NP	http://www.mirasoft-inc.com/	✓	✓			
10	FundWare	http://www.fundware.com/	✓	✓			
11	Frey & Co	http://www.drfrey.com/bucs.html	✓	✓			
12	Fund EZ	http://www.fundez.com/	✓			✓	
13	Fund Accounting Series	http://www.execdata.com	✓				
14	CYMA NFP Edition	http://www.cyma.com/products/nfp.asp	✓				
15	Blue Bear Fund Accounting	http://www.bluebearsoft.com/	✓				
16	Traverse	http://www.osas.com/	✓				
17	QuickBooks NFP Edition	http://quickbooks.intuit.com	✓				

✓ - A checkmark indicates that the product purports to offer this particular solution.

* - An asterisk means that this product offers a limited form of that solution.

Of the seventeen solutions listed above that claim to offer not-for-profit solutions, some of these products offer only minimal not-for-profit functionality. For example, Traverse does not provide the capability to set up restrictions, track grants, or record encumbrances. Likewise, QuickBooks NFP Edition offers no specific not-for-profit features or functionality; it is basically the same product as regular QuickBooks with a few extra reports added. The posturing of QuickBooks as a not-for-profit solution is more of a marketing device than an actual not-for-profit solution. Additional comments regarding the suitability of some of the packages to meet the needs of not-for-profit organizations are provided below.

NOT-FOR-PROFIT FEATURE COMPARISON TABLE

To help you compare the not-for-profit accounting features for the top not-for-profit accounting solutions, presented below is a summary of selected accounting system features and functionality typically required by not-for-profit organizations. We asked the publishers of selected products to indicate which of the following features are offered by their solutions. Using a point system, we awarded points to each product based on the features provided by each respective solution. In the final tally, Serenic Navigator scored a 91 out of 100, while Blackbaud, Fundware, NonprofitBooks, Cougar Mountain, and FastFund scored 75, 74, 59, and 55, respectively.

	Serenic Navigator v4.x	Kintera FundWare 7.3	Nonprofit Books v4.0	Blackbaud Financial Edge v7.0	Cougar Mountain FUND Accounting v 9	FastFund Nonprofit Software v2.0
Company Name	Serenic Software, Inc.	Kintera, Inc.	B2PCommerce Corp.	Blackbaud, Inc.	Cougar Mountain Software	Araize
Version Number	v4.x	7.3	v4.0	v7.0	v9	2.0
Number of Customers	150	2,200	3,500	3,500	500+	800
Sold Direct by Company?	Yes	Yes	Yes	Yes	Yes	Yes
Sold through Resellers?	Yes	Yes	Yes	Yes	Yes	Yes
Number of Resellers	20	30	2-3	30	130	25
Programming Language(s)	C/SIDE	VB, C++, .Net/C#, SQL	.Net /C#,	VB	C++	Delphi
Fund Raising Solution?	Yes	Yes	Yes	Yes	No	Yes
Government Solution?	Yes	Yes	No	No	No	Some
Religious Governance?	Some	Yes	Some	Yes	No	Some
Association Solution?	Yes	Yes	Some	Yes	Yes	Some
Add On Solution?	No	No	Yes	No	No	No
Charity Solution?	Yes	Yes	Yes	Yes	Yes	Yes
Museum Solution?	Yes	Yes	Yes	Yes	Yes	Yes
Zoo Solution?	Yes	Yes	Yes	No	Yes	No
Utilities Solution?	Yes	No	No	Yes	Yes	Yes
School Solution?	Yes	Yes	Some	Yes	Yes	Yes
Complies with FASB 116?	Yes	Yes	Yes	Yes	Yes	Yes
Complies with FASB 117?	Yes	Yes	Yes	Yes	Yes	Yes
Cash Flow Projections?	Yes	Yes	Yes	No	Yes	Yes
Restrictions?	Yes	Yes	Yes	Yes	Yes	Yes
Restriction Rules?	Yes	Yes	Yes	Yes	Yes	No
Grant Tracking?	Yes	Yes	Yes	Yes	Yes	Yes
Encumbrances?	Yes	Yes	Yes	Yes	Some	No
Project Accounting?	Yes	Yes	Yes	Yes	Some	Yes
Multiple Years?	Yes	Yes	Yes	Yes	Yes	Yes

Project Estimating?	Yes	No	No	Yes	Some	No
Consolidation?	Yes	Yes	Yes	Yes	Yes	Yes
Multiple Currencies?	Yes	No	No	No	No	No
Multiple Languages?	Yes	No	No	No	No	No
Customize Screens?	Yes	Yes	Yes	No	Yes	No
Allocations?	Yes	Yes	Yes	Some	Some	Yes
Multiple Budget Revisions?	Yes	Yes	Yes	Yes	Yes	Yes
Questionnaires?	No	No	Yes	No	No	No
Campaigns?	Yes	No	Yes	Yes	No	Yes
Added Fields?	Yes	Yes	Yes	Yes	Yes	Yes
Crystal?	Yes	Yes	Yes	Yes	No	No
Business Alerts?	Yes	No	No	No	No	No
Projections?	Yes	Yes	No	No	No	No
Office Integration?	Yes	Yes	Yes	Some	No	No
Ability to Drill Screens?	Yes	Yes	No	Yes	Yes	Yes
Ability to EMail Reports?	Yes	No	Yes	No	No	No
Workflow Functionality?	Yes	Yes	Yes	No	No	No
Number of Account Segments?	10	24	7	10	6	6
ASA Research Rating *	91	76	73	66	59	57

* The feature table score was calculated by awarding 1 point to each yes response, a half point to each "some" response, and no points for each no response. This total was then compared to the maximum point value attainable to derive a percentage score.

CONCLUSION

This report purports that not-for-profit organizations need all of the same accounting software features as do for-profit entities, and more. Compliance with FASB 116 and FASB 117, and the ability to account for date-specific restrictions, encumbrances, grants, endowments, and fund accounting make the process of meeting the needs of not-for-profit organizations difficult and challenging. In addition, the need for other sophisticated accounting system features such as allocations, workflow, consolidations, inter-fund processing, project accounting, and budget revisions make the task of finding an adequate not-for-profit solution that meets all of these needs even more daunting. For this reason, there are only a handful of accounting system solutions that come close to meeting these needs.

This report outlines the critical not-for-profit needs and sophisticated accounting system needs of larger not-for-profit organizations, and demonstrates how Serenic Navigator meets each of these needs. If your organization is in the market for a new not-for-profit accounting system, we recommend that you use the features and functions highlighted in this report a guide for evaluating prospective solutions. It is always prudent to conduct a thorough evaluation of several top solutions and educate yourself about the latest features, functions, and offerings in the marketplace. Based on our review of Serenic navigator, and other top not-for-profit alternatives, we have concluded that Serenic Navigator offers the strongest and most complete not-for-profit solution available today, with the added long-term assurance of its foundation on Microsoft's Navision ERP product, and Microsoft's documented R&D commitment to its business solutions product lines. For this reason, organizations would be wise to include Serenic Navigator in their evaluation and analysis because this action would ensure that evaluators would be in the best possible position to make an informed selection decision. For more information about not-for-profit solutions, please visit www.ASAResearch.com.

ABOUT THE AUTHOR

J. Carlton Collins is a nationally recognized author, accomplished lecturer, and recognized analyst in the accounting systems industry. Mr. Collins has delivered more than 1,800 lectures around the world on the subject of accounting systems and technology including dozens of lectures at National Accounting Software Conferences. He has worked as a partner in a Certified Public Accountant firm where he conducted audits and reviews, and installed more than 200 accounting systems for small, medium and multi-billion companies. Mr. Collins has published books, articles, and web sites and his current accounting system reviews which can be seen at www.ASAResearch.com.

Contact information for Mr. Collins: carlton@accountingsoftwareadvisor.com

FEEDBACK

If you would like to submit feedback, or read feedback submitted by others concerning this report, we have established a web site for doing so at the following URL: www.asaresearch.com/serenic.htm. It is our intention to provide open and accurate information regarding accounting products, and this forum has been established to help us achieve this goal.

END NOTES

1. **Disclosures** – This report was prepared at the request of Serenic Software, and the author was compensated for this effort. Therefore please be duly advised that the author was not independent in the preparation of this document.
2. **Disclaimers** – This paper is presented as the author's opinion, and not as fact. While it is believed to be accurate, the products discussed in this report are complex systems containing thousands of features, the presence or absence of which can be open to subjective interpretation. The author concedes that there may be features and functionality that were overlooked or not fully considered in this review. There also may be simple "work around" procedures or clever tricks that can be employed that we did not consider, and there may be third party add-on applications that we were not aware of that compensate for various missing features for all products. We strongly recommend that you confirm any and all data contained herein with another source before relying on it.
3. **Nick Names** – For expediency, we referred to some of the products in this report using their nicknames, and not the full product names. The practice of referring to these products by their nickname is common in the industry. Presented below are the full proper product names, parent company names, and headquarter locations for each product mentioned in this report : Serenic Navigator, Serenic Corporation, Denver, CO; Financial Edge, Blackbaud, Inc., Charleston, SC; Great Plains, Microsoft Corporation, Redmond, WA; MIP Fund Accounting, Best Software, Austin, TX; AccuFund, AccuFund, Inc., Needham, MA; ForFund / NP, Mirasoft, Inc., Vacaville, CA; FundWare, Kintera, Inc., Greenwood Village, CO; BUCS Fund Accounting, Donald R. Frey & Company, Inc., Ft. Thomas, KY; FUND E-Z Accounting, Fund E-Z Development Corp., White Plains, NY; NonprofitBooks, B2PCommerce Corp., Chicago, IL; Araize Fast Fund, Araize, Inc., Cary NC; Cougar Mountain FUND, Cougar Mountain Software Inc., Boise, ID; Fund Accounting Series, Executive data Systems, Inc. Marietta, GA; CYMAIV Not for Profit Edition, CYMA Systems, Inc., Tempe, AZ; Blue Bear Fund Accounting, Blue Bear Software, San Diego, CA; TRAVERSE, Open Systems, Inc., Shakopee, MN; QuickBooks NFP Edition, Intuit, Inc., Mountain View, CA
4. **Trademark Notices** – Serenic Navigator, Financial Edge, Great Plains, MIP Fund Accounting, AccuFund, ForFund / NP, FundWare, BUCS Fund Accounting, FUND E-Z Accounting, NonprofitBooks, Araize Fast Fund, Cougar Mountain FUND, Fund Accounting Series, CYMAIV Not for Profit Edition, Blue Bear Fund Accounting, TRAVERSE, QuickBooks NFP Edition, Microsoft Access, Microsoft Excel, FRx, Crystal Reports, and Jet Reports, are registered trademarks for their respective corporations.