

The Guide to

# Nonprofit Spend Management



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# Hey there!

## ALLOW US TO INTRODUCE OURSELVES

**Corpay One** is a leading spend management solution for small-and-medium-sized organizations.

We are one effortless platform, designed to save you time and money, and help you focus on what counts. We take you from printing paper and passing it off, to advanced document scanning, uploading, sharing, setting secure approval workflows, managing vendors and automating payments. Every bill and receipt scanned or payment made in Corpay One can be recorded in your accounting system - so every payment is accounted for.

**This is better bill pay, to help you work and grow every day.**

Experience smarter spending - for good.

Get started at [www.corpayone.com/industry/nonprofits](http://www.corpayone.com/industry/nonprofits)

Visit us at [corpayone.com](http://corpayone.com)

Say "HI!" at [hello@corpayone.com](mailto:hello@corpayone.com)

# Automate

## Nonprofit organizations are busy.

As business owners ourselves, we know the time and money spent on spend management and bill pay is huge. Processing an invoice costs an average of \$12.90/invoice<sup>1</sup> - which adds up (fast!) if you're processing 50+ every month.

On average, completing just one expense report can take 20 minutes and cost \$58 to process.<sup>2</sup> And with every expense, there's usually a receipt to scan and data to keep track of.

When you're busy, these manual tasks are never-ending. As a nonprofit, you started your organization to fulfill a mission and help the community you serve. Your time could be better spent.

Corpay One was created to reduce manual tasks and optimize internal processes to make life easier. We do this by using payments and scanning automation technology. That's our way of saying "we help do the work for you."

Still, we know automation can be intimidating. You may worry it will be expensive, complicated or time-consuming to train your team.

Implementing new processes can be scary - but it doesn't have to be. It can also mean that things run more smoothly and efficiently for your organization. So, we wrote this guide to demystify those processes and prove that when it comes to spend management, there's nothing to fear.

<sup>1</sup> [Automating AP/AR Financial Processes](https://cdn2.hubspot.net/hubfs/332414/Market-Intelligence/Papers/MIWP_ASG-AP-AR_2014.pdf), AIIM White Paper, 2014. [https://cdn2.hubspot.net/hubfs/332414/Market-Intelligence/Papers/MIWP\\_ASG-AP-AR\\_2014.pdf](https://cdn2.hubspot.net/hubfs/332414/Market-Intelligence/Papers/MIWP_ASG-AP-AR_2014.pdf)

<sup>2</sup> [How Much Do Expense Reports Really Cost?](http://www.gbta.org/blog/how-much-do-expense-reports-really-cost-a-company/), Survey by GBTA Foundation and HRS, October 2015. [www.gbta.org/blog/how-much-do-expense-reports-really-cost-a-company/](http://www.gbta.org/blog/how-much-do-expense-reports-really-cost-a-company/)



## A modern bill pay platform is a tool for growth, not decline.

When resources are limited, it can be challenging to increase your impact or grow your pool of donors or volunteers. There may be one executive director or a lone bookkeeper handling payments, organizing documents, coding expenses and managing grants and programs. Wearing that many hats can be daunting! And when your organization grows, your expenses do too. You don't always have the resources to add an extra body to your team.

You may spend your already limited time on manual, repetitive bill pay tasks, like writing checks or chasing your team for expense receipts. That time could be better spent furthering your mission, expanding your impact and serving your community. That's where smart bill pay and spend management come in.

### How we define "Smart Bill Pay"

Our automation power can be distilled into a few specific groups - OCR data entry (a fancier way to say smart scanning), issuing payments and bookkeeping.

#### **One, we automate processes typically thought of as "bookkeeping" work:**

- Receiving bills, receipts and invoices
- Labelling, categorizing and classifying expenses based on rules you set
- Monitoring expense variances from vendors
- Recording and reconciling expenses in your accounting platform

#### **Two, we automate processes typically thought of as "finance" work:**

- Paying vendors via check, ACH, foreign exchange and international wire
- Approving, denying and managing expenses
- Documenting expense-related communication
- Protecting from and preventing internal and vendor fraud with a complete audit trail

Smart spend management is a seamless, streamlined way to upload, manage, record, pay and reconcile expenses. We help make other systems smarter and more accurate, which helps your work go from data entry to data control and insight. That's what Corpay One can do.

## A tale of "modern" payments

The following is a real conversation between an actual office worker and their friend at Corpay One.

Names and curse words have, of course, been omitted.

Oh my gosh. I accepted a new job and today, I was introduced to the tasks. It's accounts payable and it's the **MOST INEFFECTIVE PROCEDURE I HAVE EVER SEEN**. I can't handle it.

Listen to this. This is the actual process.

Receive an invoice via email. Print the invoice.

Walk into the office of the person who needs to approve the invoice. They write OK on the invoice.

They scan the invoice. They email it to the finance team.

The finance team then **PRINTS** the invoice and then **WRITES** on it how they plan to categorize it.

Then, they **SCAN** it again and email it back to someone who needs to **PRINT IT AGAIN** and put it in a **FILING CABINET**.

**I'm simply speechless.**

### The benefits for nonprofit leaders

If that story sounds familiar, it might be time to update your bill pay process. But, maybe your organization isn't this bad! Maybe you just want better control over the data you send to your accounting system and more convenient, seamless ways to receive, record and pay supplier invoices.

As a nonprofit, we know you have limited resources, not the least of which is your time. You can only grow and scale when you remove processes that slow you down. Right now, in organizations around the world, people are using old-school tactics: printing paper invoices, putting them in folders and putting those folders on desks and in cabinets.

Payments are missed. Payments get made - twice. Audit season means digging through stacks of documents. Hours, amounting to weeks, months and years of productive time are lost forever. That system is broken. By automating repetitive tasks, you can remove one of the many hats you wear as a nonprofit leader and focus more on your mission.

# Payments

There is nothing more tedious than hand-writing a check, putting it in an envelope, licking a stamp and dropping it in the "Outbound" tray.

In 2022, nonprofits simply have bigger, high-impact tasks to tackle.

Streamlining bill pay is a crucial step for organizations that are ready to scale. As you grow and further your mission, there are just more people to pay. More services rendered means more checks or more manual payment transfers. That means more time and more money spent on people to input, send, record and reconcile those payments.

Relationship-building is key in the nonprofit sector, and vendors and suppliers are valued parts of your organization. Offering them a more seamless payment experience is key to strengthening those relationships.

With a smart bill pay platform, this is what the payment process can look like:

## Paying vendors - with smart bill pay

### Step One

Take a photo of a bill from the Corpay One App. Or you can choose to upload a file, email it to your Corpay One Inbox, or enter it manually - it's up to you!

### Step Two

The image of the bill and all relevant payment details are captured and stored in Corpay One.

### Step Three

Workflows work their automation magic. For example, if the bill requires approval from another member of the organization, they'll be automatically notified to approve it. Or, let's say the bill is for office supplies. It can automatically be categorized as Office Supplies, coded to a specific grant or split between several - again, it's up to you!

It's that simple. There are no risky open checkbooks or manual transfers (which then require you to manually record the payment in your accounting system).

### Step Four

The bill is paid according to the payment information given on the bill, including the payment deadline listed on the bill. Bills can be paid on time by credit card, the Corpay Mastercard®, check, ACH, virtual card or international wire transfer.<sup>4</sup> If no payment information is given, you can update the vendor profile with the preferred method. The best part? Each vendor profile has a built-in audit trail, so you can ensure an employee isn't defrauding the company by adding their own payment information.

### Step Five

The vendor is paid and the payment is recorded in your accounting system (like QuickBooks Online or Xero!) via Corpay One.

***Corpay One sets us up to immediately make a positive impact on our clients' financial management while creating internal efficiency as well.***



**JEREMY VAN GROLL**  
Founder  
**Nonprofit Bookkeeping**

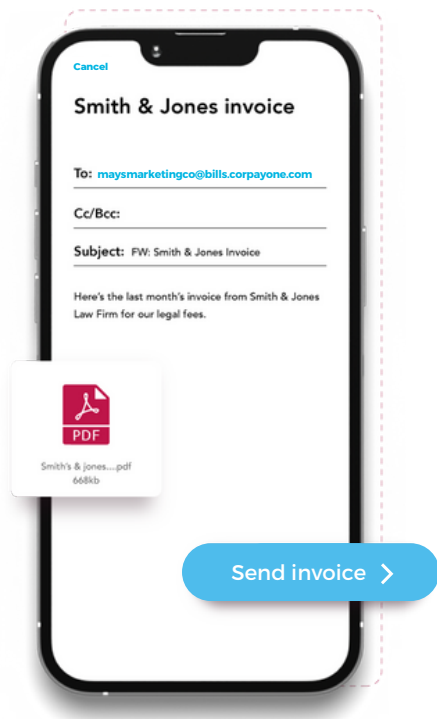
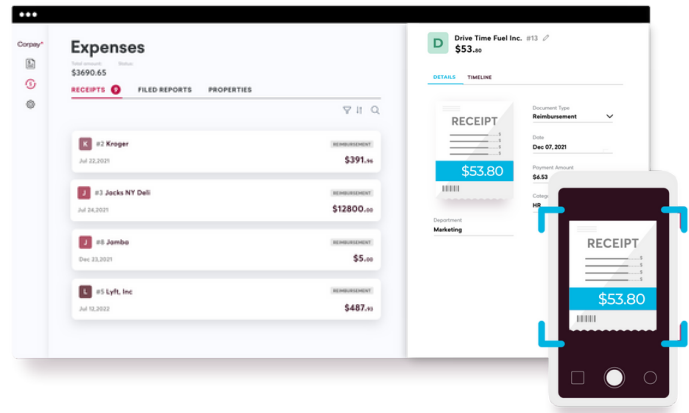
<sup>4</sup> 2.9% transaction fee applies when funding Check and ACH payments with a Visa®, Discover® or Mastercard® credit card, including the Corpay Mastercard®. All cards subject to availability and approval, including credit approval. See Corpay Mastercard® terms at [www.fleetcor.com/terms/corpaymastercard](http://www.fleetcor.com/terms/corpaymastercard) and Corpay One terms at [www.corpayone.com/tos/terms](http://www.corpayone.com/tos/terms) for details. US customers only.



Secure, straightforward and simple processes should be the gold standard for payments. So, that's what we're trying to do.

With Corpay One, adding a bill or receipt can be done in just a few clicks - whether your team is in the office or on the go.

It's as easy as **drag & drop** if you're already in the platform. If you can't track down an invoice to scan or upload, you can also enter in the details manually.



If you're on the move, you have two easy options:

1. Snap a photo of the bill or receipt right in the **Mobile App**.
2. Send the bill straight to your Corpay Inbox with your **Send & Scan Address**.

If you want to eliminate this process from your workflow altogether, you can have your vendors do it for you! Just provide them with your unique Send & Scan Address and they can send their invoice or expense receipts straight to your Corpay One Inbox.

The best part? Once a vendor document is added to your account, Corpay One remembers the expense coding details you add and automatically adds them to future bills. No more manual expense coding required.

# Expenses

If you run a nonprofit, expenses are inevitable - even if you're a team of one. Expenses can be messy. And, well, expensive.

According to the Global Business Travel Association, the average expense report takes an average of 20 minutes to complete and \$58 to manually process.<sup>2</sup> Of those reports, just under 20% of them (or every 1 in 5!) have errors, which takes about 18 minutes and \$52/report to correct.<sup>2</sup> That's a little under 40 minutes and over \$100 to manually complete, correct and process every fifth expense report. Needless to say, these costs add up - and fast.

Different organizations at different stages of implementing technology can clash when it comes to submitting invoices and getting paid.

Let's look at the example of an organization with remote team members and board members working on an event together.

Events, especially in-person ones, come with various vendor and employee expenses, like:

- Rideshare fare for an on-site planning meeting, paid by credit card
- A catering bill for lunch, due by check
- An invoice for a cleaning crew, due by ACH

Expenses can easily add up. Some online, some on paper - that all need to be paid. Then, you have to factor in receipts and other expenses paid by credit card.

<sup>2</sup> *How Much Do Expense Reports Really Cost?*, Survey by GBTA Foundation and HRS, October 2015. [www.gbta.org/blog/how-much-do-expense-reports-really-cost-a-company/](http://www.gbta.org/blog/how-much-do-expense-reports-really-cost-a-company/)

For organizations manually processing reports under the "scan, print, write, scan, email, print, file" system, it takes an average of 20 minutes to complete a single report.<sup>2</sup> And that doesn't include the time it takes to get these expenses approved, paid and recorded in an accounting system. And if the report has errors, which every 1 in 5 does, it takes an additional 18 minutes to correct it.<sup>2</sup>

With a modern bill pay platform, this could take just a few minutes - and you wouldn't have to worry about time lost due to manual errors:

## Expenses - automated.

01

The vendor creates their invoice and includes their additional expenses.

02

They email it to the firm's Send & Scan Address, which sends the document to the Corpay One Inbox where it can be automatically or manually approved.

03

The financial manager on the receiving end of these expenses can set automation rules that will categorize expenses, such as "Event."

04

They can also set automatic approval rules that will send the expense to another member of the organization to approve.

05

Corpay One pays the vendor according to the payment method. The organization doesn't need to write a check or wire a payment.

06

The payment is automatically recorded in Corpay One and sent to the organization's accounting system to be recorded and reconciled.

<sup>2</sup> How Much Do Expense Reports Really Cost?, Survey by GBTA Foundation and HRS, October 2015. [www.gbta.org/blog/how-much-do-expense-reports-really-cost-a-company/](http://www.gbta.org/blog/how-much-do-expense-reports-really-cost-a-company/)

# Spend control

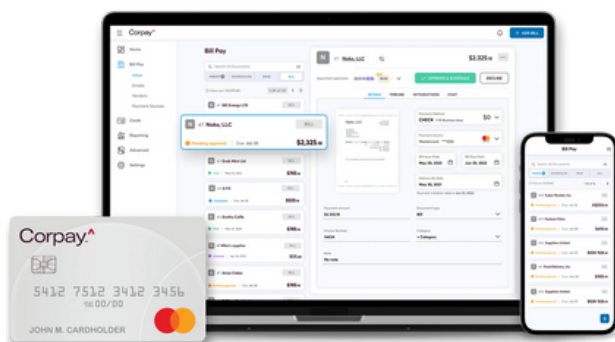
Having complete visibility of what your organization is spending money on is important. But, as a nonprofit leader, you don't have time to look over everyone's shoulder - and you shouldn't have to.

With a modern bill pay platform and a smart credit card, you can take control of spending across your entire team in real time - from anywhere, instantly.

Corpay One and the Corpay One Mastercard® allow you to set custom controls for individual cardholders that limit when, where and how often an employee or volunteer uses their card.

That means you can empower your team without the worry - but with the control. For example, if you have a volunteer that travels frequently for events, you can limit their spend to travel expenses only. It's that easy!

Plus, your team can fund Check and ACH vendor payments with their credit card or Corpay One Mastercard® - right in Corpay One.<sup>4</sup> So instead of paying for things like event supplies or contractors from the operating bank account, you can pay for them via credit card and put the organization's cash towards initiatives that further your mission.



*"I like the integrated format of Corpay One and the Corpay One Mastercard®. It allows me to pay bills using my credit line, which is really convenient."*

*Derek Reese, Derek Reese Agency LLC*

<sup>4</sup> 2.9% transaction fee applies when funding Check and ACH payments with a Visa®, Discover® or Mastercard® credit card, including the Corpay One Mastercard®. All cards subject to availability and approval, including credit approval. See Corpay One Mastercard® terms at [www.fleetcor.com/terms/corpaymastercard](http://www.fleetcor.com/terms/corpaymastercard) and Corpay One terms at [www.corpayone.com/tos/terms](http://www.corpayone.com/tos/terms) for details. US customers only.

# Fraud

Fraud can plague small organizations that are more vulnerable to it. Nonprofit directors are busy and, in the absence of a full accounting team, may be tempted to look for quick-fix solutions - that may not always be the most secure.

The Association of Certified Fraud Examiners found nonprofits are more vulnerable to fraud due to having fewer anti-fraud controls in place. Specifically, they identified their top 3 control weaknesses as a lack of internal controls (like software to manage expenses), lack of management review and override of existing internal controls.<sup>3</sup> They also reported a median loss of \$60K for nonprofits from fraud alone.<sup>5</sup>

Here are the different types of fraud organizations are confronted with every day - and how they can be prevented with smart bill pay.

## Vendor fraud or false invoicing

A vendor can issue invoices for anything they want, not just the goods or services they delivered. That's why it's essential to keep records of every invoice or bill submitted and all of the information on each one. Corpay One's advanced scanning technology records the entire document and stores an image of it within the platform. Based on the Workflows you define, if expenses or invoices vary at all from your expectation, the right people will be notified for approval and the fraudulent bill can be denied.

False invoicing is another way fraudsters can steal from organizations. They create and submit false invoices, just expecting to be paid. With a built-in automated approval process, no new or unknown vendors could submit expenses without approval.

<sup>3</sup> [2020 Report to the Nations](https://acfe-public.s3-us-west-2.amazonaws.com/2020-Report-to-the-Nations.pdf). Copyright 2020 by the Association of Certified Fraud Examiners, Inc. <https://acfe-public.s3-us-west-2.amazonaws.com/2020-Report-to-the-Nations.pdf>

<sup>5</sup> [2022 Report to the Nations](https://acfe-public.s3-us-west-2.amazonaws.com/2022+Report+to+the+Nations.pdf). Copyright 2022 by the Association of Certified Fraud Examiners, Inc. <https://acfe-public.s3-us-west-2.amazonaws.com/2022+Report+to+the+Nations.pdf>

## Check tampering

Checks are vulnerable because they are paper. A blank, open checkbook is essentially a gateway to a person's bank account.

Some of the most common types of check tampering are:

- Theft of blank checks
- Theft of vendor payments in the mailbox going out to vendors
- Theft of third-party checks by altering the payee designation
- Full control of the accounts payable functions and accounting records, with no records or audit trail

Streamlining bill pay with Corpay One greatly reduces these risks. All payments are recorded in Corpay One, including every interaction anyone has with the expense - like changes to payment details, approvals or updates to vendor information.

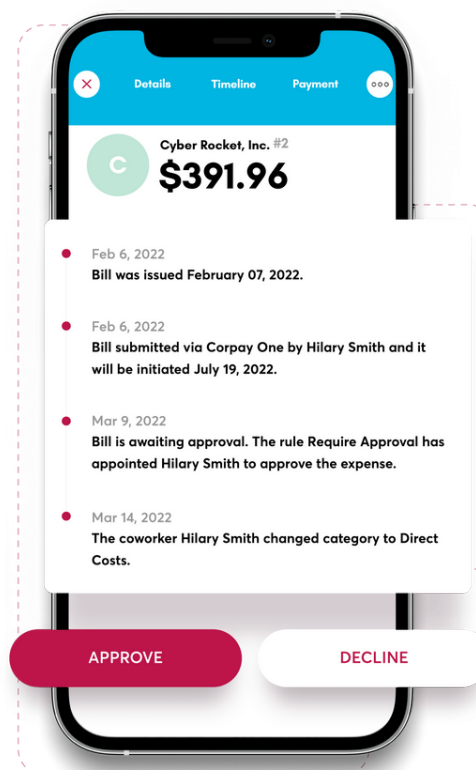
Plus, all checks paid through Corpay One to a business's suppliers and vendors are made through our trusted banking partner. That means no one has to handle paper checks anymore!

Better yet, Corpay One makes it so you don't have to pay by Check. You can pay by credit card, the Corpay Mastercard®, ACH or wire transfer.<sup>4</sup>

## Internal expense tampering

Sadly, employees or volunteers at nonprofits can be perpetrators of fraud - with tampering of vendor payment information being a scheme of choice. For example, employees may try to change payment information so the payment is issued to their account.

With an automatic audit trail, like the one pictured below, any manager would be able to see if a vendor's information was changed. In fact, permissions could be set to prevent employees from tampering with payment information at all.



<sup>4</sup> 2.9% transaction fee applies when funding Check and ACH payments with a Visa®, Discover® or Mastercard® credit card, including the Corpay Mastercard®. All cards subject to availability and approval, including credit approval. See Corpay Mastercard® terms at [www.fleetcor.com/terms/corpaymastercard](http://www.fleetcor.com/terms/corpaymastercard) and Corpay One terms at [www.corpayone.com/tos/terms](http://www.corpayone.com/tos/terms) for details. US customers only.

# Organization

Remember the story about the documents in the filing cabinet?

That's an easy way for payment processes to get out of hand and insidious disorganization to creep in. Not only does paper take up physical real estate that costs businesses money, but it also creates a burden for record-keeping.

Many of the organizations we spoke to while researching this guide told us they have, on more than one occasion, paid the same vendor for the same thing twice. And, not all vendors were kind enough to let them know.

Take Original Coffee, for example.

*Corpay One serves as a superstructure for our financial documents by handling all of our vouchers while giving us a full overview of inventory, as well as payments to suppliers. Upon combining these applications, it actually came to light that some of our suppliers were sending invoices to us twice and we were making payments twice without noticing. That's a problem we no longer have, now that we're using Corpay One.*

*Martin Hjarsbæk, CFO, Original Coffee*

They were paying suppliers twice. Now, thanks to smart bill pay, they don't.

# Communication

Think of a contractual agreement. In a lot of cases, if it's not written down it may as well not exist.

Well, the same thing goes for communication around expenses.

It's one thing to have your program director tell you they're going to approve the invoices from the suppliers you've worked hard to forge strong relationships with.

It's another thing for them to go through the pile of paper invoices you left on their desk while you watch to ensure they get approved on time.


Take the plight of a bookkeeper, working for a nonprofit. They need receipts from vendors. Somewhere on the manager's desk, between old Christmas cards and annual reports, are the receipts. The busy manager doesn't have time to dig. The bookkeeper can't storm in and ransack the desk.



This kind of disjointed communication can't be recorded. And, if it's not recorded it may as well not exist.

Smart bill pay removes the friction of offline communication by recording every interaction with a bill, receipt or document. Not only can approvals be streamlined down to a single click of a button, but the communication associated with them is recorded within Corpay One. In fact, Corpay One offers a built-in audit trail, so you have a record of the actions and changes associated with an expense.

This conversation, for example, would stay tied to the expense - making it impossible to lose or modify.



**Manager:** I thought this vendor normally charged us \$300 a month? Why the sudden increase?

**Employee:** Yeah, it came to \$400 this month because they had to bring on an additional person to help with those extra items we needed.

**Manager:** OK. Thanks. I'll approve that now.

And, BOOM. The expense can be approved. Next month, if that vendor comes in with a \$500 bill, this conversation will exist for future reference.

# Growth

Smart bill pay is a catalyst for growth - plain and simple.

When you know your financial tasks are being handled properly, vendors are being paid and every payment is recorded and reflected in your accounting system, it's a lot easier to focus on your mission and the impact your organization has on the community you serve.

Modern bill pay gives you peace of mind. What's more, it empowers teams to eliminate manual tasks that can be automated.

Providing deeper services to clients, expanding programming, finding talent and volunteers, building a brand that draws donors in droves - these are the things that can't be automated. So, that's where you should be investing your time.

Still don't believe us? Read some of the customer statistics - hard, real numbers from organizations that have transformed their business through smart bill pay.

*Corpay One reduces confusion and the need to go back and forth. It streamlines our review process for our finance team and creates fewer mistakes. It frees up time for us to provide more energy, time and resources to the people and communities that we serve. ([School's Out Washington](#))*

*Our clients' auditors love [Corpay One] as well, as each step of the process is documented and provides clarity on the internal controls in place to reduce risk. ([Nonprofit Bookkeeping](#))*

*We reduced bookkeeping by 20 hours each week, which is around a 90% decrease. ([LuggageHero](#))*



# Why Corpay One?

Corpay One operates with transparency and a daily commitment to quality and service. Everything we build is designed to make your life easier - not complicate things with a new tool. Setting up takes less than 15 minutes, and we have a dedicated onboarding team to help you hit the ground running (and learn as you go)!

We understand your goals of working to further your mission and serving your community. Our goal is to help our customers do their best work and empower their teams. That's why more than 6,000 customers trust us to help them simplify their spending each day.

With nonprofit-friendly features like:

- Built-in audit trails
- Convenient, automated approvals and workflows
- Easy-to-use platform and integrated smart credit card
- Automatic, two-way sync to QuickBooks Online

**Corpay One can help save you time and empower your team.**

**Book a demo or try Corpay One today!**

**[corpayone.com](https://www.corpayone.com)**

