How a Document Management System Can Help Nonprofits

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Every nonprofit organization has different missions that are vital to the world we live in today. What nonprofit organizations have in common is maintaining, storing, and securing multiple various documents and files; Donor information, pledge docs, volunteer applications, invoices, the list goes on. To effectively support your missions and the members of your organization, you need to make sure these documents are easily accessible, well managed, and secure. Paper-based documents and online storage systems will only go so far as to help your organization get to the efficiency you need for your documents and records. A document management system (DMS) will give you the tools to have a streamlined document management process that will transform your entire organization.

There are several reasons why a DMS can benefit any nonprofit organization. Throughout this blog, we will be focusing on four essential parts of a document management system that will help your nonprofit organization. As you read through this blog, keep in mind your nonprofit organization and how these tools and features can benefit your specific organization's process.

Cost

Lack of funds is something that every nonprofit organization can relate to. You want to make sure every dollar you spend is going toward something that will grow and benefit your organization's mission. Unfortunately, paper documents can eat up a good amount of that budget with things like filing cabinets, printing costs, off-site storage facilities, and more. To make the most out of your budget when it comes to managing your documents, a DMS is your answer.

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What a DMS can do is house all your documents from beginning to end in a digital format. That way, you don't have to worry about in-office storage, missing documents, and physical damage. Upfront costs of a DMS might be slightly off-putting, especially for nonprofits. However, if you think about the overall ongoing costs of keeping your paper documents vs. the cost of a DMS over time, you will be able to see the ROI on implementing a document management system through reduced labor and physical storage costs.

Inventory and Centralized Location

Where are you keeping your documents now? Maybe in filing cabinets or an online storage system like google drive or dropbox. Either way, none of these options allow you to have the efficiency and safety of keeping your documents from getting lost or, even worse, accidentally destroyed. For nonprofit organizations, retrieving a document in a timely manner is crucial to running your mission. For example, you need to pull receipts from donors for an audit or even pull member records if someone forgets their ID number. All of these documents are important; we know that. However, to ensure they are organized and easily accessible, you need more than filing cabinets and online storage. You need a DMS. What a DMS will do is not only allow for all your digital documents to be in one centralized location, but it also gives you features, such as indexing, that allow for easy retrieval and access of these documents.

Confidentiality & Security

Most nonprofits, by law, must follow specific data retention policies and keep detailed records of donations and other financial

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transactions. Examples would be invoices, member contact information, partner information, etc. Failure to do so could result in lawsuits as well as weaken your relationships with stakeholders and members. Depending on how you store your documents now, paper or electronic, without a DMS, you won't be able to give your members and partners the reassurance that their information is stored as safely as possible. A DMS has more robust safety features that allow you to keep your documents secure. For example, a DMS can let you see all activity within your documents from start to finish, this allows you to have a full audit trail to make your audit experience smooth and efficient.

Automated Electronic Workflows

We have talked about cost and security. Both are significant benefits of a DMS for nonprofits, but what about the actual flow of your documents? For nonprofit organizations, there are many paths documents need to take for your organization to function correctly. Invoices are a big one, but also member applications, volunteer applications, even donation processing the list goes on. Chances are, someone in your organization today manually moves through these processes of getting documents where they need to be. Not only can that waste time that could be spent elsewhere, but it also opens the door to human error. The last thing you want is an invoice being lost and taking days to retrieve it because someone on the team wasn't following your process.

With a DMS, you can have automated workflows that can streamline all these processes and allow for much more control and less work for your organization. It allows you to set customizable rules that the document must follow before moving to the next step. That way, you can focus your attention on more important parts of your business that

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may need the extra attention. It also closes the gap for human error by having certain restrictions on who can sign, see, and edit these documents.

Next Steps

Now that you understand how a DMS can benefit your nonprofit organization, you can look for a solution! There are many document management systems available, but what is the right one for your organization? As you continue to research, be sure that you are looking at the features a DMS can provide your organization. Keep in mind your organization's process and how those features play into your processes to make it more effective and efficient. Here at Mindwrap, we have well seasoned DMS experts that can help you start the journey to implementing a DMS. Give us a call or contact us today to get started.

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