

YPTC SOCIAL SERVICE SPECIALIZATION

CASE STUDIES: HOW YPTC SUPPORTS SOCIAL SERVICE ORGANIZATIONS



AT YPTC, our mission is to help as many nonprofits as possible grow stronger. Social services organizations are on the front lines of addressing complex community needs, often while navigating diverse funding sources, evolving compliance requirements, and limited internal capacity. Through our customized and flexible financial management services, we have supported thousands of social services organizations to strengthen their accounting, grants management, internal controls, and financial reporting.

CASE STUDY: FINANCE DEPARTMENT RECOVERY FOR A MULTI-SERVICE ORGANIZATION

RESTORING CONTINUITY, REBUILDING SYSTEMS, AND REGAINING FUNDER CONFIDENCE

THE CLIENT

A CENTURY-OLD NONPROFIT with an \$8M budget serving the Hispanic community through education, workforce development, prevention, emergency services, and immigration support. The organization experienced complete turnover in its finance department, limited operational controls, and a federal funding pause due to grant compliance issues.

THE OPPORTUNITY

- **PROVIDING** customized, flexible services to meet rapidly changing client needs
- **RESTORING** federal funding and **REBUILDING** funder trust after repeated single-audit findings threatened ongoing funding
- **RESTRUCTURING** accounting department staffing to better serve the organization, stabilizing the finance function and supporting ongoing financial department health
- **ESTABLISHING** best-practice systems, procedures, and reporting to ensure compliance with grant funder requirements, Uniform Guidance, and the organization's management needs

OUR APPROACH

WEEK 1: INITIAL ENGAGEMENT

The client's newly appointed interim CEO requested YPTC's support to create a grant tracking matrix for managing dozens of grants across multiple programs and funders. During the initial meeting, three critical issues emerged:

- The organization's Federal funding (representing a third of the organization's budget) was paused after three consecutive single audits with material weaknesses.
- Four out of five accounting staff members left the organization just days before the meeting.
- The organization received notice of an upcoming desk audit from the state's Department of Education.

PHASE 1: EMERGENCY SUPPORT (FIRST SIX MONTHS)

Over the next few months, YPTC focused on stabilizing operations and addressing immediate risks:

- **INTERIM ACCOUNTING SERVICES:** YPTC provided full-cycle accounting support, ensuring that essential expenses were paid, deposits were recorded, accounts were reconciled, and monthly financial statements were prepared for management and the board.
- **CASH FLOW ASSESSMENT:** Within two weeks, YPTC identified that the funding pause would lead to a cash crunch within one month, risking inadequate cash for payroll. YPTC identified a \$3 million board-designated reserve and (with support from the CEO) formally advised the board of the immediate necessity to allocate \$1 million of the reserve as interim funding to support financial stability.
- **AUDIT PREPARATION:** YPTC met with Department of Education officials, gathered documentation to support expenditures, and helped the client develop and implement a corrective action plan after the audit findings were reported.

PHASE 2: EDUCATION, STREAMLINING, AND SYSTEMS IMPROVEMENTS (MONTHS 6-18)

Over the following year, YPTC implemented lasting improvements while continuing full accounting department support:

- **ACCOUNTS PAYABLE PROCESS:** Transitioned from paper checks to an electronic payables solution, reducing payment delays and audit anomalies. YPTC trained staff on the new system, leading to faster approvals and fewer compliance issues.
- **TIME & EFFORT TRACKING:** Worked with HR and program staff to align timekeeping with financial records, simplifying compliance and educating staff on best practices.
- **GRANT REPORTING COMPLIANCE:** Adjusted month-end procedures to ensure timely, accurate grant reporting. Program staff learned to track expenses accurately and submit budget modifications as needed, with support from the YPTC team.
- **ACCOUNTING PERSONNEL SCREENING:** Assisted in recruiting and screening new accounting staff, helping to rebuild the department with qualified professionals.

PHASE 3: MONTHLY FINANCIAL REPORTING AND GRANT MANAGEMENT SUPPORT (ONGOING)

- **FINANCIAL REPORTING:** Provide consistent monthly account reconciliations and financial reporting, supporting the organization's in-house CFO.
- **GRANT MANAGEMENT:** Prepare monthly grant reimbursement request calculations, assist with budget modification requests, and prepare end-of-year grant close-out reports.

THE RESULTS

- **CLEAN AUDITS:** Achieved two consecutive single audits with no findings, demonstrating major compliance improvement.
- **RELIABLE REPORTING:** Management and the board now receive clear program-level reports and rolling cash forecasts to support timely decisions.
- **PROCESS IMPROVEMENTS:** Automated accounts payable, standardized time & effort practices, and improved month-end and grant reporting workflows.
- **RESTORED FUNDING:** Regained credibility with core funders and reactivated federal funding streams.

THE IMPACT:

THROUGH RAPID RESPONSE AND STRUCTURED LONG-TERM SUPPORT, YPTC helped the organization stabilize operations, rebuild its accounting function, and restore compliance. These improvements enabled the nonprofit to continue delivering essential community services while maintaining financial continuity through ongoing staff and leadership transitions.



CONTACT US with questions and learn more about our work with social service organizations at <https://www.yptc.com/social-service-specialization/>