

CASE STUDY – Jitasa

Jitasa is a for-profit Certified B corporation based in Boise, Idaho. Founded in 2008, originally as Easy Office and rebranded in 2012, Jitasa's mission is to improve the effectiveness and efficiency of nonprofit organizations. The name, Jitasa, means "The Spirit of Serving Others," and is described by Jitasa as, "who we are and why we believe there's no higher value than partnering with nonprofits to make the world a better place."

Approximately 500 nonprofit organizations contract with Jitasa to outsource bookkeeping, accounting, tax preparation, and other customized services.

Initially, Jitasa's concept was to offer outsourcing for a full range of nonprofit back-office services. In further analysis of the nonprofit sector, organizations identified accounting and finance as the most pressing needs.

"The demand and willingness to pay for accounting and finance makes sense when you think about Form 990s, board requirements for financials and needs for payroll and bill paying." - Jeff Russell, CEO, Jitasa

Services are offered to all sizes and types of nonprofit organizations across the US.

Jitasa assigns all clients to a lead accounting associate who is supported by a team of accountants, bookkeepers, CPAs, and specialists who are based in the US and internationally. This enables 24-hour support for customers and also promotes checks and balances.

After 10 years in business, Jitasa added donor and member management services, specifically the management and analysis of fundraising data. Jitasa will access a client's customer relationship management system, enter data, perform analysis and report relevant data.

All services are provided remotely using high quality cloud based technology and software solutions. This allows operations to be extremely efficient.

Services are designed to support and not necessarily replace existing staff. For example, Jitasa can work with an organization's bookkeeper to reconcile accounts, ensure compliance, assist with budgeting, audit preparation, and tax preparation. Furthermore, Jitasa staff regularly meet with and update organizational leadership, empowering better decision-making.

"[Jitasa] is not your Chief Financial Officer. We do not make decisions. We just give you better data to make more informed decisions." - Jeff Russell, CEO, Jitasa

RETHINKING OVERHEAD

THE NONPROFIT CENTERS
NETWORK

FUNDING MODEL

Jitasa's fixed-fee pricing strategy was informed by research surveys that asked nonprofit organizations about current fees for services and whether or not fees were affordable. Pricing also took into account the costs of service delivery. A monthly fixed-fee structure was developed to ensure that nonprofits received cost-effective services and Jitasa could cover costs and be profitable. The fixed-fee model provides predictability to non-profits and also to Jitasa, allowing both to better plan.

Fees are tiered for small nonprofit organizations (under \$200,000 annual gross receipts), midsize organizations (\$200,000 to \$1 Million) and large organizations (over \$1 Million).

KEY WINS

- Jitasa's most important achievement is taking accounting, a service that is time consuming and stressful for Executive Directors, and making it significantly easier and affordable. We serve as an example of how in contracting shared services, nonprofit organizations can better achieve their mission with higher quality data and effectiveness.
- Jitasa has the ability to invest in technology that their nonprofit clients would not be able to invest in on their own. Collectively, Jitasa processes \$5 billion in transactions per year and are able to make investments with the mentality of a \$5 billion organization.

"I think that it's a tremendous thing to be able to find technologies, invest in them and apply them to a nonprofit that would never have access without a shared services provider."- Jeff Russell, CEO, Jitasa

LESSONS LEARNED

- Prospective clients' number one concern is the potential loss of control.

"Control is a very real concern. However, it comes down to perception vs. fact...Ensure that your original contract gives you the control and transparency you need. Often, when analyzed closely, you will find that you actually increase your level of control when working with the right outsourced provider." - Jeff Russell, CEO, Jitasa in his book "Do What You Do Best"

- The nonprofit sector lags behind the for-profit sector in adopting shared administrative services and outsourcing. One contributing factor is an insufficient number of service providers who cater to the needs of nonprofits. Consequently, there is a definite need to develop more trust and understanding of shared service strategies among service providers and nonprofit organizations.

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The Nonprofit Centers Network, 1536 Wynkoop, Suite 103, Denver, CO 80202
[p] 720.836.1189 [e] info@nonprofitcenters.org [w] www.nonprofitcenters.org