



**Gateway School Modernizes Its Finance and Accounting Functions and Navigates Disruption**

CASE STUDY

**armanino** 

## At A Glance

### Customer Profile:

Gateway School is an independent, K-8 day school in Santa Cruz, CA. With education rooted in play, creativity and critical thinking, the school inspires children to lead lives of purpose and compassion through scholarship and citizenship. After partnering with Armanino to modernize its accounting systems and processes, Gateway dramatically improved its financial operations — and its ability to quickly pivot in the face of an uncertain future brought on by the COVID-19 pandemic.

### Services

- Armanino consulting and implementation services
- Sage Intacct
- Armanino business outsourcing services

### Benefits

- Reduced payroll processing time from more than seven days to one day
- Improved reliability and timeliness of monthly financial reporting
- Gained greater scalability and continuity with a 20-person team for outsourced financial, accounting and HR services

## Challenge

Founded in 1970, Gateway School is an independent, nonprofit day school for students in kindergarten through 8th grade. Gateway's mission is to inspire children to lead lives of purpose and compassion through scholarship and citizenship. This mission and the school's values underlie its commitment to providing a robust educational experience, whether on campus, via distance learning, or through a combination of the two.

When Shawn Padilla was hired as chief financial officer at the school, he soon realized there was an important need to modernize the finance and accounting function, including its systems and processes. "It was taking far too much time and resources to handle basic functions such as running payroll," says Padilla, citing the school's lack of bench strength as a particular cause for concern.

"At the time, we had one bookkeeper who had been managing day-to-day finance and HR functions for the past 25 years," says Padilla. "Our intellectual property was connected to a particular person's experience; it was a real risk to our continuity if any one person got sick or decided to leave."

With a focus on creating greater efficiency, speed, reliability and economies of scale, Padilla began looking for a partner to help Gateway School bring its accounting systems and processes into the 21st century.

## Solution

He turned to Armanino LLP, one of the 25 largest independent accounting and consulting firms in the U.S., for its expertise and experience working with independent schools like Gateway. An outsourcing partnership with Armanino would give Padilla greater scalability from a staffing perspective, but also arm him with the external expertise and credibility he needed to make his case with the board of trustees and head of school.

"There's a cultural piece to this that can't be understated," says Padilla. "Unwinding 25 years of people, processes and history as just one person would have been incredibly difficult to do, and likely met with resistance. Having a team with experience working with other schools really lends credibility to the effort and helps bring those along who were initially hesitant."

Gateway School's partnership with Armanino started with an implementation of Sage Intacct, a cloud-based financial management and accounting solution, along with monthly recurring accounting services. Soon after Sage Intacct was deployed, Armanino completed a full assessment of the school's processes and procedures, identifying areas for improvement and implementing best practices and software to fill gaps and position the school for success into the future.

“The team is fantastic to work with and a great cultural fit,” says Padilla. “We’re a small school in a small town, so we want that fine balance of professionalism and friendly culture — corporate expertise, without the three-piece suit. The Armanino team is exactly what we were looking for. It really does feel like an extension of the Gateway team.”

## Results

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**-Shawn Padilla**

With its lengthy list of system and process improvements now nearly complete, Padilla credits the expertise and credibility of the Armanino team with helping maintain momentum and achieve his original goals. For one, payroll is now getting completed within one day, instead of the more than seven days it took in the past. Better yet, it’s no longer dependent on one person’s knowledge or availability.

Another major benefit is reliable and timely monthly financial reporting. “Without access to timely financials, you’re essentially flying blind,” says Padilla. “You’re creating opportunities for poor decision making and potential for fraud.” Now Gateway School receives its financial reports within two weeks of month’s end.

For Padilla, the partnership with Armanino gives him peace of mind, bench strength and the solid foundation with which to navigate an uncertain future in the face of the COVID-19 pandemic. “We’re a small organization, but with Armanino I have the resources and expertise of 20 professionals when I need them, even though my actual in-house team is only 1.75 people,” he says. “Not only can we do things we never could before, but we can scale the partnership up or down as needed. And I can rest easy knowing that if something happens to one person or a system, it’s not going to lead to a catastrophic situation.”

With its new systems, processes and outsourced services, Padilla and his team can focus on more critical tasks, like helping the school make informed decisions amidst the pandemic. “We couldn’t have partnered with Armanino at a better time,” says Padilla. “Given the current uncertainty, we need to be able to pivot quickly. We have everything in place now to allow us to do that as an organization.”

## Next Steps

With the school’s plans in flux due to COVID-19, Armanino is providing Gateway with guidance and support on how to navigate decisions like off-versus on-campus learning, staffing and safety, and how to support families with flexible tuition discounting.

“Without Armanino, we would be on an island trying to gather information and find our way in what feels like an unmanageable future for us as a

school,” says Padilla. “The additional perspective the team provides from other clients is immensely helpful.”

*“The return on investment with Armanino has been invaluable. This partnership has allowed our organization to advance itself in ways it otherwise wouldn’t have been able to.”*

**-Shawn Padilla**

Aside from navigating the current environment, Gateway plans to work with Armanino in other ways to secure the long-term future of the school, such as launching capital campaigns, growing its endowment, and establishing long-term financial reserves. “The return on investment with Armanino has been invaluable,” says Padilla. “This partnership has allowed our organization to advance itself in ways it otherwise wouldn’t have been able to.”

## About Armanino

Armanino provides an integrated set of accounting services—audit, tax, consulting and technology solutions—to a wide range of organizations operating both in the US and globally. You can count on Armanino to think strategically, to provide the sound insights that lead to positive action. We address not just your compliance issues, but your underlying business challenges, as well—assessing opportunities, weighing risks, and exploring the practical implications of both your short- and long-term decisions. When you work with us, we give you options that are fully aligned with your business strategy. If you need to do more with less, we will implement the technology to automate your business processes. If it’s financial, we can show you proven benchmarks and best practices that can add value company-wide. If the issue is operational, we’ll consult with your people about workflow efficiencies. If it’s compliance, we’ll ensure you meet the requirements and proactively plan to take full advantage of the changes at hand. At every stage in your company’s lifecycle, we’ll help you find the right balance of people, processes, and technology.

## Contact Us



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Eric is a partner in consulting with more than 20 years of experience serving nonprofit and for-profit organizations. Since joining Armanino, he has focused on helping nonprofits with their finance and accounting needs, so they can concentrate on developing their organization and delivering on their mission. He works with a diverse group of clients on their digital transformation and believes that regardless of size and age, organizations can benefit from incorporating enterprise best accounting practices through a solution that uses cloud technology and paperless processes.