

# Sub-accounting for philanthropy



Profitably grow your charitable  
endowment and foundation business











# Endowment and foundation finances are complicated



From a financial perspective, philanthropic fiduciaries — charities responsible for investing donor assets to achieve greater individual donor fund grant-making impact — are complex to operate and manage.

To streamline and enhance efficiencies in recording and processing investment transactions, nonprofit foundations and endowments combine money from various accounts into one or more investment pools or strategies. These organizations are still required to track and report — at the sub-account level — contributions, distributions, and investment performance, including interest, dividends, realized and unrealized gains and losses, and investment management fees.

*This is the basis of participant or sub-accounting.*

Commonly, nonprofits will pass the task of generating and providing the participant or sub-accounting statements to the financial organization that manages their investments.

# Current solutions can't manage the details

Nonprofits often depend on the financial institution that manages their investments to deliver the required sub-account tracking and reporting.

But current solutions can't manage the required level of detail needed and managing this data processing via spreadsheets is ineffective and inefficient for financial institutions.

## Serving the sub-accounting needs of nonprofits is typically a cost center

To add to the challenge, serving the participant accounting (or sub-accounting) needs of nonprofit clients means that financial institutions face significant responsibilities that put a strain on limited time, resources, and expertise.

Due to the high administrative and technical processing overhead required, meeting these clients' needs is typically a cost center. And based on the level of manual activity needed, it is very challenging to grow this line of business profitably.



# Existing solutions don't scale

Financial institutions face severe limitations to scale efficiently and profitably while offering these services to support the needs of nonprofit endowment and foundation clients.



## Inadequate tracking and reporting

Sub-accounting services are typically provided by misusing a Trust or Investment Management system. These systems tend to have very limited functionality — if any — to support the specific needs of sub-accounting tracking and reporting.



## Manual error-prone processes

Current processes typically include augmenting these Trust and Investment Management systems with an abundance of manual transactions and spreadsheets backed by investment accountants, which can introduce an increased risk of human error and fraud.



## Limited online access

There is little or no online access for clients or participants to view real-time balances and transactions, leaving them waiting for monthly or quarterly account statements.

# Turn your cost center into a profit center

For financial institutions with multiple foundation and endowment clients in their book of business, Ren's sub-accounting solution helps solve the complex challenges that come with successfully serving the transaction recording and reporting needs of these types of clients.



This solution works alongside — and interfaces with — existing Trust or Investment Management systems and is purpose-built to support the sub-account administration needs and nuances of nonprofit organizations. Simply put, the sub-accounting solution allows for the pooling of funds for investment management purposes while retaining the details of the individual sub-accounts for client and tax reporting purposes.

Ren's sub-accounting solution allows financial institutions to offer philanthropic sub-accounting services to foundation and endowment clients within a branded online user experience. With this offering, financial institutions can improve their operational efficiency and quality through advanced automation and profitably scale their charitable endowment and foundation business, turning a cost center into a profit center.

# Profitably grow your nonprofit business



## Operational efficiency

With Ren's sub-accounting solution, and optional, scalable, customizable, turnkey managed services, financial institutions gain improved operational efficiency and quality without increasing staff size.

## Automation

With automation that eliminates the need for spreadsheets and other manual processes, sub-account transactions — including contributions, distributions, and spending rules — are streamlined and less error-prone.

## Secure online access

Client administrators and participants have direct, secure, anywhere, anytime online access. Single sign-on (SSO) allows access to multiple systems, and two-factor authentication (TFA) provides an additional layer of user access security.

## Real-time data

Within the portal, investors have real-time direct access to their organization's accounts and each of their client and donor accounts (or sub-accounts). Daily updates on performance and asset value information allow for better-planned giving and portfolio control.

## Personalized experience

The solution is configurable for each financial institution client to offer personalized and dynamic interactive portals for constituents. Comprehensive participant-level statements and reporting ensure users have a real-time view of account holdings and activities.

## Transparency

With real-time straight-through processing, users gain full transparency and audit tracking capabilities. Better visibility and multi-level reporting help users gain insight into spendable balances, cash flow, and investment values.

# Streamline sub-account operations



## PrivateViews

Through online PrivateViews, client organizations and participants have 24/7 real-time online access to their information and transaction history. Client administrators and agencies can view data stored at both the sub-account level and consolidated organization level, while individual donors or fund holders can see the details of their balances, transaction activities, and statements. All for better engagement and insight.



## Advanced accounting

Ren's sub-accounting solution delivers advanced accounting capabilities such as lot accounting (which tracks all individual transactions and their tax implications) and fund accounting (which tracks money-out or money-in transactions to and from third parties).



## Daily NAVs

With the sub-accounting solution, financial organizations can move their endowment and foundation clients' investment net asset value (NAV) calculation and the unitization of their business transactions for participant accounts from a monthly cadence to a weekly or daily cadence. Clients and administrators no longer have to wait for monthly or quarterly reporting and statements.





### Spending rules

Endowment accounts often have a pre-defined spending formula and distribution rule determining which organizations or participants will receive the calculated spendable balance. The calculation and processing of these transactions are very manual and time-consuming. Spending rules can automate these activities, eliminating manual processing and reducing the risk of errors.



### Managed services

Ren provides a suite of managed services that can be used to augment a client's use of the sub-accounting solution. These services cover all operational processes, including account opening and maintenance, transaction processing, month-end reconciliations, statements, and report generation. These services can be tailored to meet a client's needs and allow financial institutions to focus on their core business.

# What customers are saying



“

We are excited to offer a sub-accounting solution that will provide our clients, and their clients, with a richer, more tailored approach to account administration. We believe this solution will help support them in their missions and ministries, by creating efficiencies and improving the overall investor and donor experience.”

— **Joe Halwax, CAIA, CIMA**

*Managing Director, Institutional Investment Services*

Wespath Institutional Investments

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### Partner Dashboard

[Withdrawals](#)[Cash Additions](#)[Fund Activity](#)

## Partner Dashboard

### Account

Id: 16773  
Education Department  
The Educational Center  
\$1,684,670.61

[Change Account](#)

Last Tran: 7/1/2023

### Investment Balance

\$21,692.28 (spendable)  
\$1,684,670.61 (market value)

### Investment Withdrawals

Name	Date	Amount
Hanley, James	05/01/2023	\$2,500.00
Hanley, James	06/01/2023	\$3,500.00

[See All Withdrawals](#)

### Investment Cash Additions Summary

Cumulative Additions  
\$1,855,000.00 (as of 7/3/2023)

Amount	Type	Date	Status
\$5,000.00	Wire Transfer	7/1/2023	Posted
\$5,000.00	Wire Transfer	6/1/2023	Posted
\$10,000.00	Wire Transfer	5/1/2023	Posted

[See all](#)

### Investment Contact



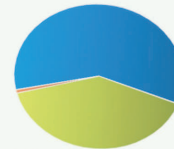
Your donor relations officer  
**Mable Summers**  
321-778-3478  
[demo@reninc.com](mailto:demo@reninc.com)

### Statements

[1/1/2022 - 12/31/2022](#)  
[1/1/2021 - 12/31/2021](#)  
[1/1/2020 - 12/31/2020](#)  
[1/1/2019 - 12/31/2019](#)

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### Fund Holdings

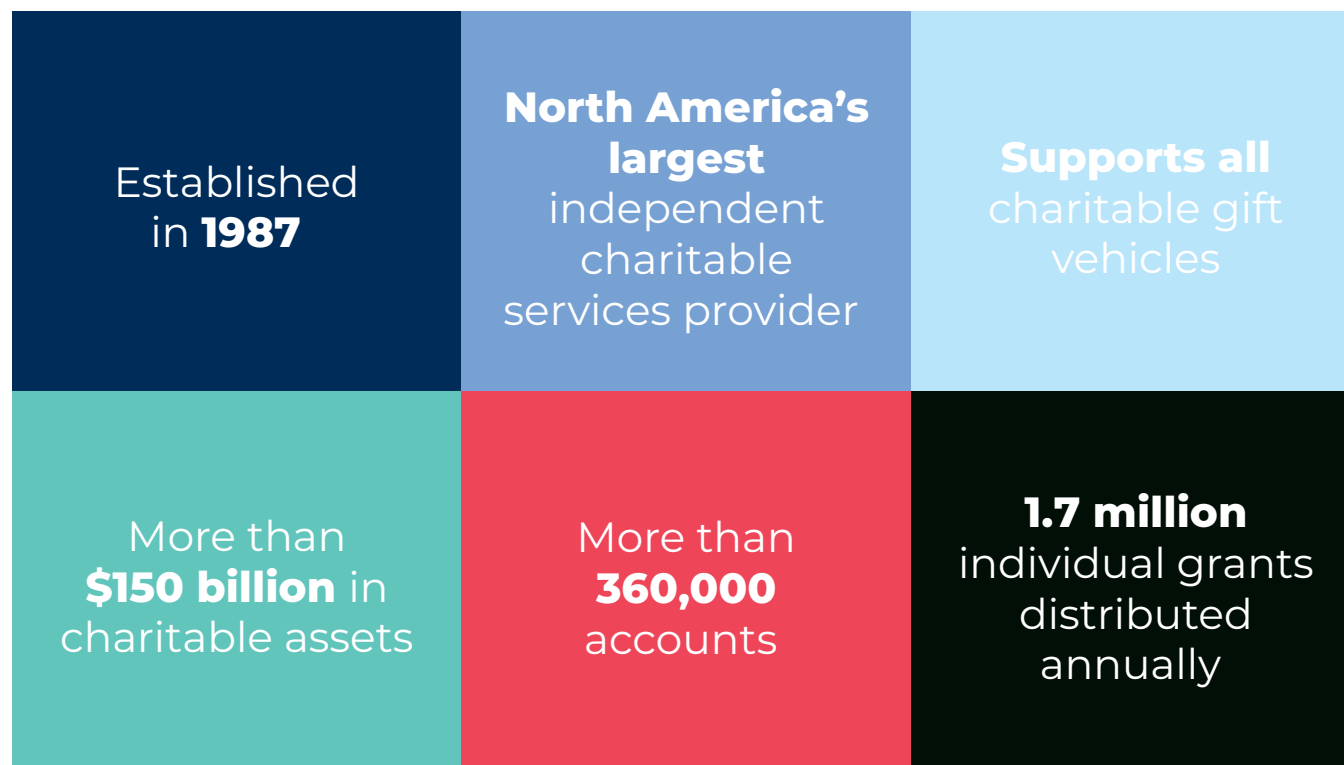


59% - Conservative \$999,032.72  
40% - Moderate \$673,691.31  
1% - Cash \$11,946.58



# Ren's industry impact

With more than 35 years of experience in charitable gift services, we currently support more than 200 institutions — including financial firms, large and small nonprofit organizations, universities, and community foundations — and provide the expertise, standards, and technology these organizations need to attract new clients while keeping current ones happy and engaged.







Regarded industry-wide as subject matter experts in the field of charitable giving, our associates include lawyers, accountants, MBAs, and CFPs as well as client service, IT, and operational experts. Our team has more than 850 years of combined planned giving and philanthropic knowledge, with an average leadership tenure of 16 years.

*Our skilled and specialized staff are here to support your growth .*

# Profitably grow your nonprofit business



## Turn your sub-accounting cost center into a profit center

Running a sub-accounting service offering in a financial institution that serves nonprofit clients can be difficult due to the high administrative and technical processing overhead required. Ren's sub-accounting solution solves this complex problem by improving operational efficiency and quality through advanced automation, enabling institutions to profitably grow their charitable endowment and foundation division by relying on proven technology and not on the manual efforts of their people, turning a sub-accounting cost center into a profit center.







Get in touch today to learn how Ren's  
sub-accounting solution can help your  
organization at [consulting@reninc.com](mailto:consulting@reninc.com)



Powering people, ideas,  
and institutions for good

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