

# FINANCIAL, TIMEKEEPING AND PAYROLL SYSTEMS

ZIEGLER CFO HOTLINE<sup>SM</sup>

The January 2022 Ziegler *CFO Hotline*<sup>SM</sup> poll was devoted to the topic of financial, timekeeping and payroll systems. Over 260 not-for-profit senior living CFOs and financial professionals from around the country responded to the survey, with 60% representing single-site organizations and 40% multi-site organizations.

## ***Financial Systems***

Respondents were first asked to identify the platform they use for their core financial system. They were given a range of choices, with an option to select “other” and then specify. Please note that some participants indicated more than one system. For ease of reporting, the summary table only shows systems that were mentioned five times or more.

<b>Financial System</b>	<b>Number of Mentions</b>
<b>MatrixCare</b>	98
<b>Microsoft Dynamics</b>	49
<b>Sage</b>	37
<b>PointClickCare</b>	32
<b>Oracle Netsuite</b>	9
<b>Blackbaud Financial Edge</b>	7
<b>Other</b>	33

Respondents were then asked to select from a list of functions for which they use their financial system of choice. They were invited to select all categories that apply. The most-used functions are detailed in the table below.

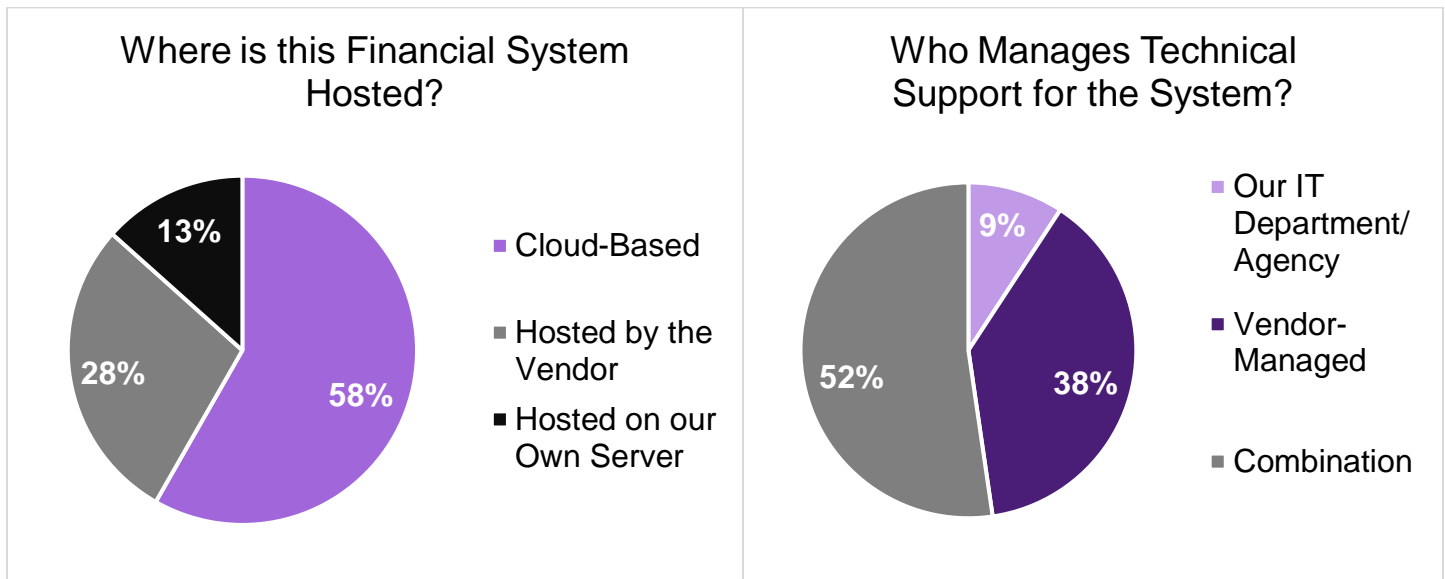
<b>Functions</b>	<b>Percentage of Providers who Use Respective Functions</b>
<b>General Ledger</b>	99%
<b>Procurement and/or Accounts Payable</b>	88%
<b>Generation of Core Financial Statements</b>	78%
<b>Billing and Accounts Receivable</b>	60%
<b>Fixed Assets</b>	12%
<b>Entrance Fee Tracking and Amortizations</b>	12%
<b>Payroll</b>	5%
<b>Other</b>	8%

A portion of respondents indicated that they outsource certain functions. The three most outsourced functions are Billing and/or Accounts Receivable (as reported by 14% of providers), Entrance Fee Tracking and Amortization (8%), and Payroll (2%).

Below is a breakout of the top seven functions by the top four financial systems. Percentages represent the number of providers for each vendor who use each respective function. For example, 92% of MatrixCare users make use of its Billing and Accounts Receivable function.

	MatrixCare	Microsoft Dynamics	Sage	PointClickCare
<b>General Ledger</b>	100%	100%	100%	91%
<b>Procurement and/or AP</b>	94%	79%	89%	79%
<b>Gen. of Financial Statements</b>	76%	71%	86%	76%
<b>Billing and AR</b>	92%	13%	24%	94%
<b>Fixed Assets</b>	4%	8%	11%	26%
<b>Entrance Fee and Amortizations</b>	27%	2%	0%	3%
<b>Payroll</b>	7%	6%	5%	3%

When asked where their financial system of choice is hosted, most responded that it is cloud-based (58%), but a sizeable amount are hosted by the vendor or on the providers' own servers. In terms of technical support, some are managed internally, some by the vendor, but most are managed by a combination of the two. See the charts below for details.



Respondents were also asked to comment on the benefits and potential downsides to the financial platform they utilize. The themes were fairly consistent across each of the platforms mentioned. The most common sentiments were:

- System meets basic needs, but many providers use Excel for certain functions their system lacks
- System is general and not catered to the senior living industry
- System fortunately integrates well with other software, or unfortunately does not
- System is outdated (especially in terms of financial reporting)
- System is expensive
- Several providers are in the process of switching platforms or looking to do so soon

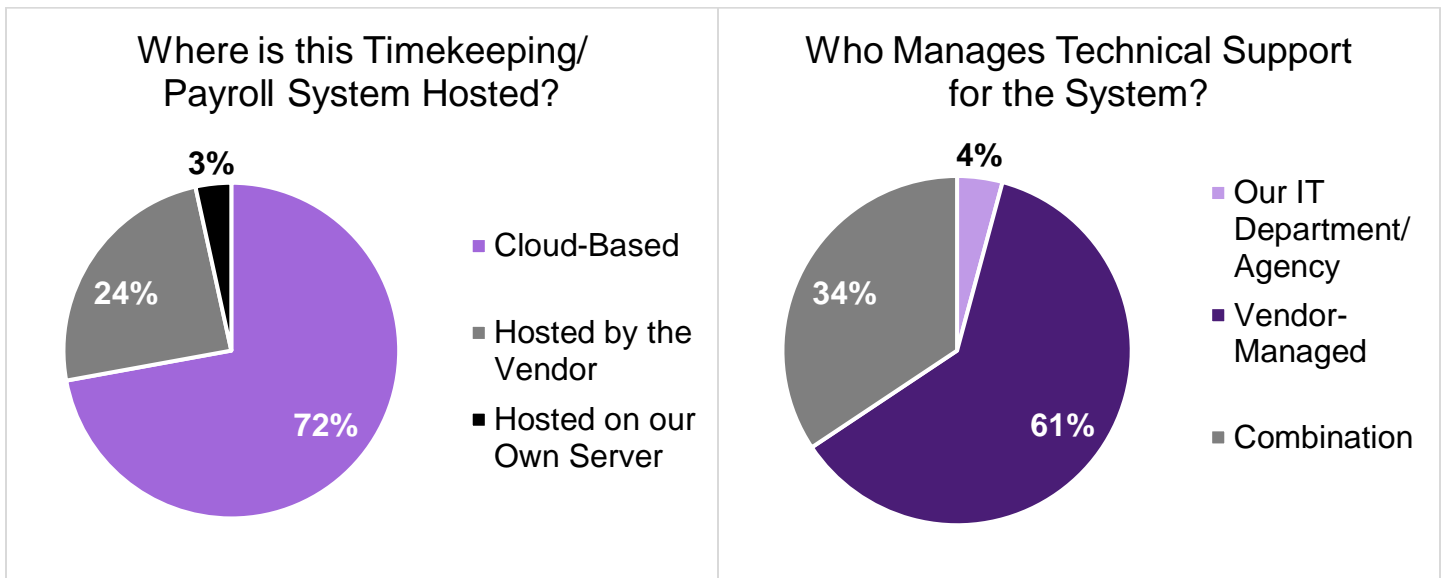
### *Timekeeping and Payroll Systems*

After commenting on their financial systems, respondents were asked to name the system they use for timekeeping/payroll purposes. Below is a chart showing every system that was mentioned five or more times. Please note some participants mentioned more than one system.

<b>Timekeeping/Payroll System</b>	<b>Number of Mentions</b>
<b>UKG (Kronos)</b>	87
<b>ADP</b>	45
<b>Paycom</b>	26
<b>Paylocity</b>	20
<b>OnShift</b>	11
<b>Ceridian</b>	10
<b>Smartlinx</b>	8
<b>Paycor</b>	8
<b>Matrix</b>	7
<b>TimeTracker</b>	6
<b>Proliant</b>	5
<b>Other</b>	42

One third (33%) of providers indicated they outsource their timekeeping and payroll services, while the remaining two thirds (67%) of providers do not.

The majority of providers (72%) indicated their timekeeping/payroll system is cloud based, while some are vendor hosted or hosted in-house. In contrast to the financial systems, most of these systems (61%) are all vendor-managed. See the charts below for details.



Similar to the financial systems set of questions, respondents were asked to identify pros/cons of the timekeeping/payroll platform they mentioned. Unlike with the financial systems, most providers seem somewhat or very satisfied with their timekeeping/payroll systems. There are a few complaints, however, among those who did share some concerns. The most common is a lack of support (or lack of good support) from the vendor. Other complaints are dissatisfaction with reporting and/or scheduling functions, and overall price. A few providers indicated they are considering switching to a new timekeeping/payroll system in the future, but this was not the majority of respondents.

### ***Additional Comments***

Respondents were also able to share additional comments regarding their financial or timekeeping/payroll systems. Below is a sampling of these. Comments may be edited for length or minor grammar issues.

- *Money is a factor when considering changing systems.*
- *Prior to COVID-19, customer service with these various software vendors was very responsive, however, that is no longer the case.*
- *Timely survey as we are in the market to implement a full capability ERP system.*
- *We like that our staff can remotely track their time off bank of hours via an app.*
- *Because we determined our financial system to be inadequate from a reporting perspective, we engaged and implemented a third-party system in order to provide a more robust reporting and planning system.*
- *My position is that ALL software in the modern era is overpriced, under supported, and rarely functions as promised.*
- *The issues we have are related to our own lack of implementation of functionality we could use in the system. We are currently working to utilize more of the system.*
- *I would have kept it in-house, but it lacked the HR capabilities our growing organization needed.*
- *Prior to COVID-19 we were trying to find one system to meet all of our clinical and financial needs, but did not find that available in the market. Multiple systems for the multiple business lines is very inefficient.*
- *We manage multiple systems, which is cumbersome. Would prefer one product to manage A/R, A/P, GL, and payroll but have never found a good solution.*
- *It's functional.*
- *Any changes or adjustments tend to be very expensive.*
- *Nothing is perfect but we get by with what is available.*

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