



**Caterri Woodrum**  
Chief Deputy Director,  
Chief Financial Officer

## SAS® Financial Management helps North Carolina Museum of Art bring more beauty to residents

To help it grow and keep track of its multiple programs, the North Carolina Museum of Art needed a more sophisticated way to manage its \$14 million annual operating budget, a \$60 million multiyear capital campaign, a \$72 million building expansion project and a \$20 million renovation to the existing facility. Using SAS® Financial Management, the museum can report monthly what it once struggled to report annually.

### Industry

Hospitality and Entertainment

### Business Issue

The museum needed to replace spreadsheets with a more sophisticated budgeting tool to allow staff to do the kind of long-range budgeting and planning needed to bring in major art exhibits. The museum also needed a solution that non-financial staff could use.

### Solution

SAS® Financial Management keeps different funding sources separate but can also provide a big-picture, multiyear view that helps the museum plan strategically.

### Benefits

The museum can track expenses on multiyear projects with ease and provide board members with up-to-date finances. It also passed a recent audit with no adjustments.

Fifty years ago, North Carolina became the first state in the nation to set aside public funds to create an art collection. With 3,500 pieces in the North Carolina Museum of Art's permanent collection, the museum has a reputation for its Old Masters and Egyptian art. It also sits on the nation's largest art museum campus, a 164-acre park-like setting that includes numerous pieces of outdoor art and an open-air theater. The museum operates a gift shop, a restaurant and catering business, a performing arts program and a large membership arm of its fundraising program, each of which utilizes a different system to capture its financial activity, all feeding data into its general ledger. The museum uses two point-of-sale systems, a box office ticket sales system, and a fundraising/membership system. These distinct businesses under the museum's umbrella create a much more complex financial environment than might otherwise be apparent.

When Chief Deputy Director and Chief Financial Officer Caterri Woodrum joined the museum in 2005, the budgets for the 23 cost centers, 100 projects and 60 subprojects were contained on spreadsheets – and each department had its own unique approach to developing a budget. “I turned pasty white the day I saw the budget system I had inherited,” says Woodrum. Further, the museum used a bottom-up approach to budgeting where each department reported how much it needed to operate.

Woodrum had come from the private sector, where she had access to high-level financial management tools. “The

primary ledger system the museum used was adequate for a nonprofit, and it worked,” Woodrum says. However, it was difficult for the museum to see how it was doing when reports had figures at least three months old. When board members met each quarter, they received data from two months prior. The biggest shortfall of the existing system was that it was particularly hard to track the costs of multiyear projects, such as when the museum worked with two other museums to curate a temporary exhibit of Monet paintings. “It was difficult to track the management costs over several fiscal periods, and three- or four-year-long projects aren't uncommon for us.”

Multiyear projects, like traveling temporary exhibits, are important for driving attendance and bringing in additional revenue through ticket, gift shop and food service sales. While the exhibits are critical to the museum's mission of helping the state's economy, they can't be mounted at the expense of the museum's core educational mission.

“I needed a tool that could accelerate the flow of information into the hands of decision makers and help drive the museum toward a more profitable baseline. Even nonprofits need to manage and make money in order to create a place which continues to enhance our visitors' experiences and desire to visit,” Woodrum says.

With SAS Financial Management, the museum has a much better handle on its expenses. “Now board members

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are getting accurate, up-to-date information at each meeting,” Woodrum says. And while the museum separates the money it receives from the state government, the foundation and the state art society, “I now have a system capable of consolidating the information from these different legal entities and pulling together a combined financial statement,” Woodrum says. “This allows us to plan strategically.” Woodrum now has the ability to utilize a top-down budgeting approach that allocates a budget to each department and allows them to manage those dollars directly.

To accomplish this, Woodrum needed a system non-financially trained users could work with. This is important because the museum isn't large enough to embed a financial professional in each business unit. The museum has six power users and 30 staff members who access the system. “Being able to

quickly see that there's a gap between your budget and your actual spending leads to cost savings and to better decisions. And it gives you the ability to respond more quickly when things are, in fact, veering off track.”

Perhaps the biggest benefit has been the ease with which the museum moved through its most recent audit. “SAS Financial Management definitely contributed to a very successful audit this year. We had no audit adjustments. No management recommendation points. That's very unusual, especially for a nonprofit.”

Woodrum was also pleased with the help she received from SAS. The museum has only two IT professionals, so it needed vendor support. “What SAS does exceptionally well is provide customer service at the highest possible mark.”



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