



COMMUNITY ACCOUNTANCY PROJECT - GUIDANCE NOTES

Computerised Accounts

Keeping accurate accounting records is a crucial part of managing any organisation. It would seem more than likely, sooner or later, that someone in your organisation will suggest computerising the accounts. But as long as you can still buy the old style cash books, you still have a choice. This is a very important issue for financial management. You may feel pressurised to go down this route, but it is important to consider the following points:

- £ Don't computerise just for the sake of it. There is nothing wrong with sticking to your old manual system if it works for your organisation.
- £ If you have problems with your manual procedures, putting everything on computer may only give you computerised problems. Computers are a tool, not a cure all. Your time and money might be better spent sorting out a good manual system.
- £ Spend time to work out exactly what you want to be able to do. You can choose a program that suits your needs. A great deal of time and money can be wasted buying the wrong package and then finding you have to change it later on.
- £ Find out as much as you can about which programs are available. Ask organisations similar to yours what they use and how they get on with it. Some software companies supply demonstration disks, or allow a money back trial period. At GVOC we use Quicken, which you can still buy from Amazon for about £90. Some of the accounting packages have many features which you may not require. You can still use the software and ignore these additional features, or use them when you are more familiar with the package.
- £ If it suits you, there is nothing wrong with a mixed system. You

can use manual systems for working out wages and keeping your Cash and Petty Cash Books. Figures can then be keyed into a spreadsheet program to produce reports and make comparisons with your budget.

- £ Do your research before buying
- £ Check the software websites and check the kind of technical support offered and how much this is likely to cost
- £ Check whether packages have to be updated on an annual basis eg for HMRC for tax, etc, and how much this will cost
- £ If you decide to computerise, allow plenty of time for setting up. You should also keep your old system running until you are sure the computer program is working properly and giving you what you want.
- £ Allow plenty of time and money for training. If you are new to computers, the cost of training could be higher than the cost of the programs you buy.
- £ Beware of the techie. Most organisations have someone who is really good at using computers and it is tempting to leave it all to them. This is okay, until they decide to go to Tibet for two years, leaving behind something so complicated, that nobody else has a clue about what's going on.
- £ Make sure that more than one person can operate your system. It is also a good idea to write your own manual setting out how your organisation uses a particular program – they all have lots of options and preferences you can set.
- £ Always make a back-up copy of your data. This means you do not lose your records if something goes wrong with the computer. You should also keep a copy somewhere else, in case the office floods, or burns down (insurance may cover buying a new computer and software, but you cannot replace your work so easily). For security, include passwords to restrict access. It is also worth investing in locks to secure the computer.

Accounting Software Packages

The following are some of the most popular software packages available in use by the voluntary and community sector, there are others on the market.

Sage Line 50

This is an all purpose small business accounting package, which comes in many varieties – Book-keeper, Accountant, Accountant Plus and Financial Controller. It is a cost effective solution for smaller charities with few projects and/or funds to track, but needs to be operated by someone with accounting knowledge. It is not easy to use if the operator has no financial background and/or the organisation has many projects and/or funds to track. Payroll support can be added to this. For more information visit www.sage.co.uk

MYOB (for Macs)

These produce a variety of accounting software from basics to high end, but do not produce templates or editions specifically for the voluntary and community sector. For more information visit the website on www.myob.co.uk

Cashcall

This package was originally developed for Churches, and is suitable for small organisations. Funds are easy to track, but it does not handle VAT. This package does not require the user to have any accountancy knowledge and is very inexpensive. Visit the website on www.data-developments.co.uk

PAXTON

This is quite a good software package for charities, but not very widely available. This one handles funds and VAT, produces full funds analysis and is SORP compliant. This package is not too expensive either and is relatively easy to use. For more information visit www.paxtoncharities.co.uk

QuickBooks

This package is the up to date version of Quicken and is suitable for those who are not from accountancy backgrounds. It is relatively cheap and easy to use and has a version for non profit making organisations. This one generally comes out top with small voluntary and community organisations. Payroll support can be added. For more information visit www.quickbooks.co.uk