



ACCOUNTING SOFTWARE

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Course : Accounting
Information System

Course Code: ACC 233



Outline

- What is Accounting Software
- Types of Accounting Software
- Benefit of Accounting Software



Learning Objectives

Students are expected to understand the followings:

- What is Accounting Software
- Types of Accounting Software
- Benefit of Accounting Software



Meaning of Accounting Software

Accounting software is a systems that manages and records the day-to-day financial transactions of an organization, including fixed asset management, expense management, revenue management, accounts receivable, sub-ledger accounting, and reporting and analytics.



Accounting Software Con't

A complete accounting system keeps track of an organization's assets, liabilities, revenues, and expenses. These transactions then populate the general ledger in real time, providing financial controllers and Accountant immediate access to real time, accurate financial data. It also allows P&L owners visibility into their performance at the operational level



Type of Accounting Software

The following list itemizes the classes of accounting software.

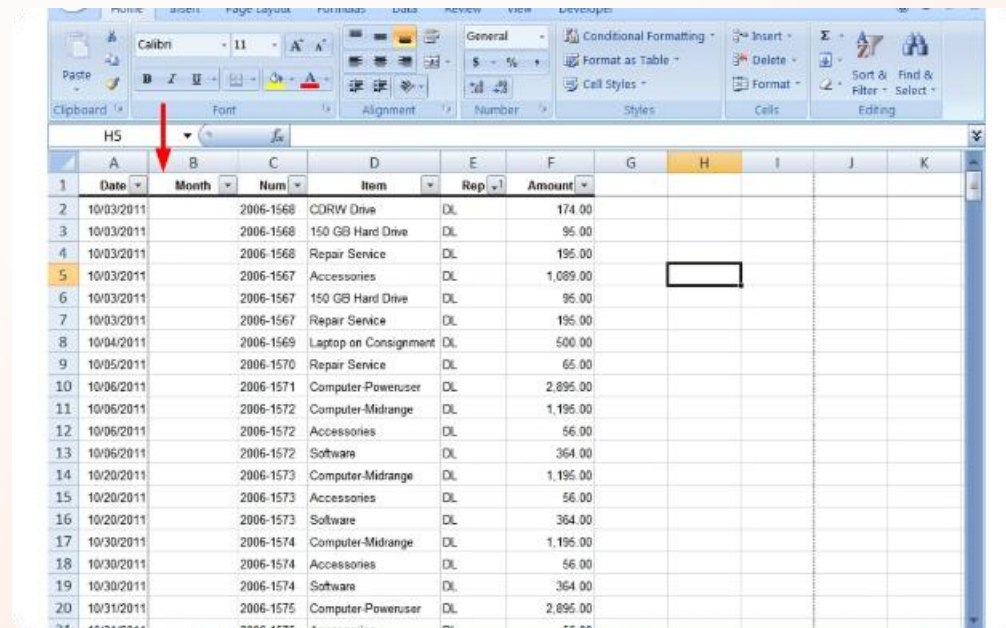


Spreadsheet (Microsoft Excel)

A spreadsheet is a computer program that can capture, display and manipulate data arranged in rows and columns. Spreadsheets are one of the most popular tools available with personal computers.

A spreadsheet is generally designed to hold numerical data and short text strings. However, spreadsheets are prone to error, since information may be entered in the wrong place, incorrectly, or not entered at all, resulting in inaccurate financial statement

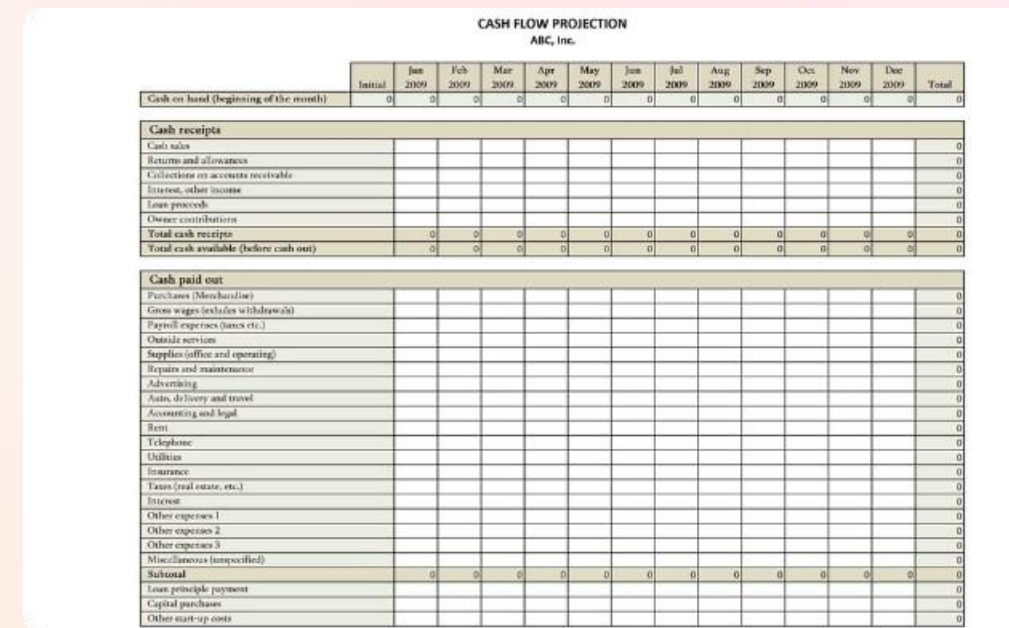
Spreadsheet Software for Accounting



	A	B	C	D	E	F	G	H	I	J	K
1	Date	Month	Num	Item	Rep	Amount					
2	10/03/2011		2006-1568	CDRW Drive	DL	174.00					
3	10/03/2011		2006-1568	150 GB Hard Drive	DL	95.00					
4	10/03/2011		2006-1568	Repair Service	DL	195.00					
5	10/03/2011		2006-1567	Accessories	DL	1,089.00					
6	10/03/2011		2006-1567	150 GB Hard Drive	DL	95.00					
7	10/03/2011		2006-1567	Repair Service	DL	195.00					
8	10/04/2011		2006-1569	Laptop on Consignment	DL	500.00					
9	10/05/2011		2006-1570	Repair Service	DL	65.00					
10	10/06/2011		2006-1571	Computer-Poweruser	DL	2,895.00					
11	10/06/2011		2006-1572	Computer-Midrange	DL	1,195.00					
12	10/06/2011		2006-1572	Accessories	DL	56.00					
13	10/06/2011		2006-1572	Software	DL	364.00					
14	10/20/2011		2006-1573	Computer-Midrange	DL	1,195.00					
15	10/20/2011		2006-1573	Accessories	DL	56.00					
16	10/20/2011		2006-1573	Software	DL	364.00					
17	10/30/2011		2006-1574	Computer-Midrange	DL	1,195.00					
18	10/30/2011		2006-1574	Accessories	DL	56.00					
19	10/30/2011		2006-1574	Software	DL	364.00					
20	10/31/2011		2006-1575	Computer-Poweruser	DL	2,895.00					
21	10/31/2011		2006-1575	Accessories	DL	56.00					

Benefits

Easy to customize, and suitable for smaller businesses or individuals.



	Initial	Jan 2009	Feb 2009	Mar 2009	Apr 2009	May 2009	Jun 2009	Jul 2009	Aug 2009	Sep 2009	Oct 2009	Nov 2009	Dec 2009	Total
Cash on hand (beginning of the month)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash receipts														
Cash sales														0
Returns and allowances														0
Collections on accounts receivable														0
Interest, other income														0
Loan proceeds														0
Owner contributions														0
Total cash receipts		0	0	0	0	0	0	0	0	0	0	0	0	0
Total cash available (before cash out)		0	0	0	0	0	0	0	0	0	0	0	0	0
Cash paid out														
Purchases (Merchandise)														0
Gross wages (excludes withholdings)														0
Payroll expenses (taxes etc.)														0
Outside services														0
Supplies (office and operating)														0
Repairs and maintenance														0
Advertising														0
Fuels, delivery and travel														0
Accounting and legal														0
Items														0
Telephone														0
Utilities														0
Insurance														0
Taxes (real estate, etc.)														0
Interest														0
Other expenses 1														0
Other expenses 2														0
Other expenses 3														0
Miscellaneous (unspecified)														0
Subtotal		0	0	0	0	0	0	0	0	0	0	0	0	0
Loan principle payment														0
Capital purchases														0
Other start-up costs														0

Drawbacks

Lacks the advanced features of dedicated accounting software and prone to human error.



Enterprise Resource Planning Software (ERP)

ERP is software that integrates information from all parts of a business into a single database. This approach eliminates the problems associated with having independent department-specific software that does not share information. However, it is also painfully expensive and may require more than a year to install. This software is usually only needed by the largest and most complex organizations



ERP Accounting Software

Benefits

Offers advanced inventory tracking, payroll, and sales tracking capabilities. Integrates multiple business functions within a single system.

Drawbacks

Expensive and time-consuming to implement due to its complexity. May be too advanced for small businesses.

Popular options

NetSuite, SAP, Microsoft Dynamics



Custom Software

Custom Accounting Software

This software is custom developed for an organization. This approach is usually only taken when an entity's needs are so specific that they cannot be met by a COTS or ERP package. However, this approach is rarely taken, since custom software tends to be buggy and requires more maintenance than commercially-available packages. Quick book, Sage, Zoho Etc.



Benefits of accounting software

Provides managers with the data they need to make informed decisions

Regulatory Standards

Ensures compliance with industry-specific accounting principles and regulatory requirements



Accounts Payable and Receivable

Reduced Redundancy

Accounting software eliminates records redundancy and enables efficient budgeting and forecasting.

Seamless Integration

Integration with banking systems ensures accurate and seamless financial transactions

Detailed Tracking

Accounting software keeps thorough tracking records of all assets and liabilities, facilitating accurate audits.



Cash Management

Accurate Cash Positions

The cash management capabilities in accounting software automatically reconcile cash transactions to bank statements, providing accurate cash positions.

Timely Decision-Making

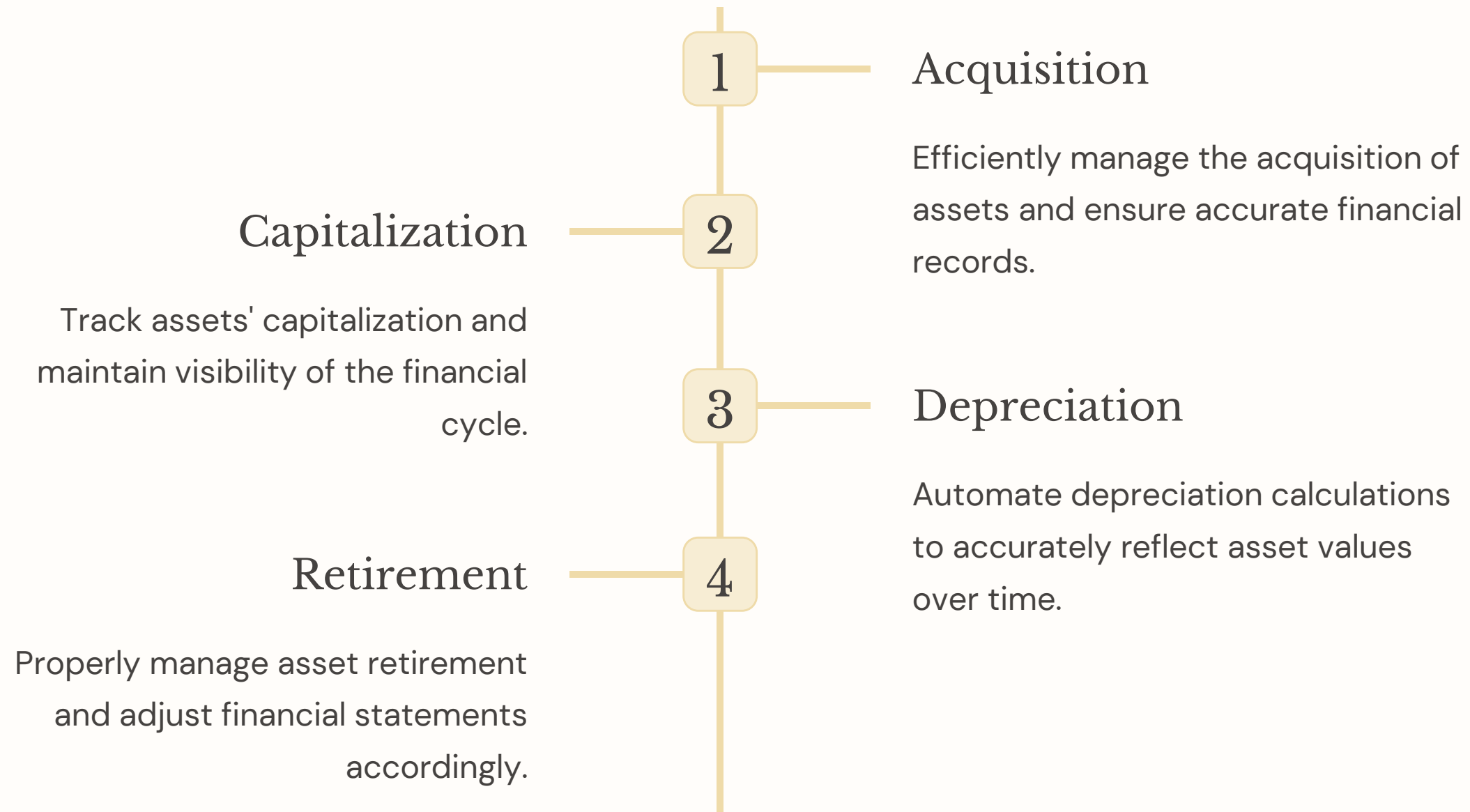


Automated cash forecasting based on payables, receivables, and payroll subledgers enables timely investing, borrowing, and other cash decisions.

External Transaction Tracking

The software helps track external cash transactions, contributing to effective cash management.

Asset Management





Risk Management and Compliance

Accounting software with built-in security, risk management, and audit controls is vital for protecting against fraud and unauthorized access. Compliance with regulations like Sarbanes-Oxley (SOX) is ensured and data integrity is maintained.



Collections Management

1 Effective Collections Strategies

Easily rank customers and establish collection strategies to ensure timely payments.

2 Payment Management

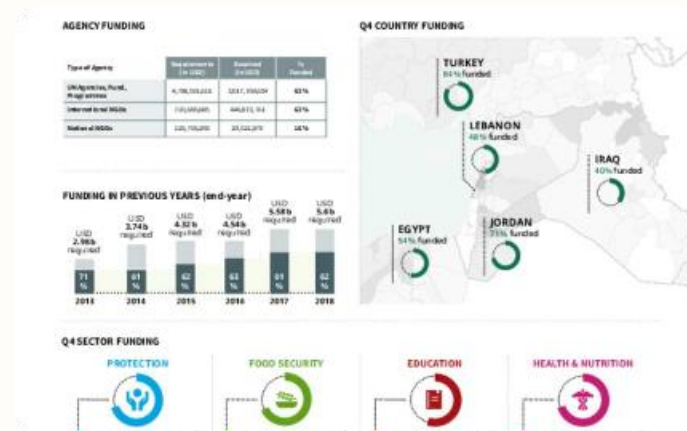
Efficiently manage collection payments and stay on top of late-stage collections for bankrupt customers.

Revenue Management



Maximizing Revenue

Embedded revenue management capabilities use analytics to optimize revenue and enhance profitability.



Financial Insights

Prebuilt dashboards help finance leaders analyze critical KPIs in real-time and gain deeper financial insights.



Inventory Turnover

Track and improve inventory turnover through comprehensive financial reports and analytics.