

The Complete Guide to Switching from Basic to Fund Accounting Software



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Chapter 1

Signs You Are Outgrowing Your Basic Accounting System



*Is it really time to switch software?
Understand the signs.*

Understand the signs to see if it's time for you to move from your basic system to something that can better handle your needs.

Sign #1 - Work-arounds are the norm

You are spending more time 'tricking' your system than simply working with it. Set aside one whole week where you consciously keep track of how much time you or your staff spends manipulating your software to handle the way you need to enter or analyze your data. Are functions such as invoice entry taking you three to four steps when they should really only take one or two? If so, you and your staff could save significant time by moving to a system that can handle your needs.

Sign #2 - You need better customization

You cannot customize the system to operate in a way that's meaningful to your city's accounting and payroll needs. The longer you work for your city, the more you realize that your city has its own unique set of needs. For example, you want to show a special column on your revenue and expenditure statement, or you want to pay employees out of different funds but not have to issue two checks. Basic accounting software packages are made for general business, and therefore, you must make due with a system not made for municipal accounting. Fund accounting packages recognize your unique municipal accounting needs allowing you to customize over time.



Sign #3 - The Software is Not Easy to Use.


Look for a fund accounting software that is intuitive, simple to navigate and easy to use, even for beginners. Make sure the software gives you the tools you need to take total control of your city's financial management. It's important to have an accounting software that alleviates stress instead of adding to it.

Sign #4 - Reporting is limited

Again, for the sake of ease of use, general accounting programs provide a limited set of reports for you to run. Yet your city may really need to see the data in your own way. For example, perhaps you want to run a report that shows the subtotal per item by fund. A fund accounting program will allow for revisions to be made, and the reports can then be saved for later use, so you can view the information in a way that your council or auditor prefers.

Sign #5 - There is a lack of support

As with any product available today, a result of paying too little means your service will be less as well. Many basic accounting programs will defray service expenses by outsourcing their service to an overseas call center. A fund accounting program will provide more complete support services, with a variety of contact methods, and professional fund accounting support staff with years of experience.



Chapter 2

Fund Accounting Software Check List



A check list of fund accounting and payroll software features to help organize what you really need. Fill in and present to vendors so you get a true picture of whether they can meet your needs.

System Features

Feature	Enter Your Needs
Asset Management (Asset Depreciation)	
Budgeting	
Import/Export	
Loan Tracking	
Multi-language	
Number of Funds	
Number of Users (Workstations)	
Project Tracking	
Security	
Years of History	
GASB Recommended Format	

General Ledger Features

Feature	Enter Your Needs
Account Classes	
Account Split	
Department within Funds	
Audit Trail	
Bank Deposit	
Bank Reconciliation	

Reports

Feature	Enter Your Needs
Consolidated Reporting	
Customizable Reports	
Standard Reports	
Drill Down/Interactive Reports	

Billing and Accounts Receivable

Feature	Enter Your Needs
Credit Cards	
Overpayments/Deposits	
Payment Editing	
Payment Selection	
Business License	
Fees/Dues Billing	


Paying Invoices

Feature	Enter Your Needs
1099 Management	
ACH Payments	
Purchase Orders	
Encumbrances	

Payroll

Feature	Enter Your Needs
Number of Full Time Employees	
Number of Part Time Employees	
Pay out of Multiple Funds	
Pay Employees Out of Multiple Departments	
Time Clock Import	
Checks Print on Plain Paper	
Customizable Pay Stubs	
Direct Deposit	
Track/Pay Employee Garnishment	
Sick Time Calculations	
Vacation/Leave Accrual Tracking	

Feature	Enter Your Needs
Human Resource Function	
Document Attachment	
Track Employee Training/Certification	
Ability to print W-2/W-3	
Ability to print Quarterly Reports	
ACA Reports	
New Hire Report	
Print Vendor Liability Checks	
Security	



Chapter 3


Who Else at Your City Should Be Included in Your Fund Accounting Software Search?



Leaving key people out of the fund accounting software search can lead to disastrous results. Get ideas about who to include, and what to ask them.

Since accounting software affects many different departments in your city, it is wise to include anyone using the system during your search, to some degree. When applicable to your city, include these departments and use the features listed to start a conversation about their needs in the new system.





Chapter 4

Deciding Between
the Cloud, Software as a Service, and
In-house/Installed Software.



Learn more about the differences between in-house, cloud, and SAAS systems, so you can make the best decision for your city.

Deciding Between On-Premise Software and Software as a Service ('SAAS') - Which option is best for your city? It's hard to know the answer without understanding the difference between these three terms.

Cloud Computing or "The Cloud" refers to the practice of having software applications hosted at a secure location on the internet, rather than at your own facility. Having applications hosted on The Cloud reduces the need to keep up and maintain applications and servers, saving the IT person considerable time and resources. Usually cloud computing is a broad term, referring to the larger scheme of software setup, rather than just one application.



Chapter - 4 Deciding Between the Cloud, Software as a Service, and In-house/installed software.

SaaS “Software as a Service” is the practice of using software that is accessible via the internet, so there is no software to install internally. The software resides on the provider’s server, and you access it with your own sign-in name(s) and password(s). The upside of using SaaS is there is no need to perform updates or upgrades, or in fact perform any software maintenance, since this is all done by the provider.

Although the terms, “The Cloud” and “SaaS” are different, the benefits of using them are similar. The main benefits of both are the time and resource savings, and the ability to access data remotely.

Using software in The Cloud, or as a service, has its risks. Your information may be more vulnerable, since information is stored and transmitted via the internet. If something goes wrong with the company hosting your data, you will want to be sure your data is safe. When your data is hosted elsewhere, there is somebody else besides you in control of backing up your data, so be sure to check into how they are handling that. Make sure you are comfortable with the frequency with which they back up your data, and also the procedures they use. Minimize risk by carefully reviewing the company you choose, and by making sure they are a trusted partner, rather than an unfamiliar vendor.



In-house Software is, just as it states, software you install on one of your own servers, which may then be networked to other computers at your company. Using In-house software typically offers the benefit of more control and often reduced costs. Again though, keep in mind that you will be 100% responsible for creating and testing your own backups. Installing updates and upgrades is also up to you. Maintaining current hardware is also required for your In-house Software to run optimally.



Really the decision whether to use SaaS, Cloud Computing and/or In-house Software depends on how much control you need, your IT resources available, and your budget.

Chapter - 4 Deciding Between the Cloud, Software as a Service, and In-house/installed software.



Chapter 5

Best Web Sites for Your Fund Accounting and Payroll Software Search



*The most helpful web resources available
for free, to help you narrow down to a
short list of vendors.*

Below are some of the most useful web sites for narrowing down your software search. When you choose to take a huge step in the right direction, and look at a fund accounting package, these sites will save you and your team considerable hours of frustration!

FindAccountingSoftware.com

This is an excellent web site for your accounting software search. You can go in and browse software by application (general ledger, payroll, etc.) or by industry. You can also fill in a quick, three-step questionnaire and/or call to speak with a software specialist to have vendors receive your information and contact you. This service is free to software searchers. They do a thorough job of asking the right questions and finding you appropriate products that fit your budget and requirements.



Find Accounting Software
Stop searching. Start finding.

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Let our software experts find top recommendations for your business.

For over 15 years, our team of independent software advisors has helped more than 100,000 businesses find the right software for their needs. We'd love to help you, too.


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Capterra.com

This is an excellent web site for finding all varieties of business software. First, you select the type of software you are seeking, and then you narrow down your search by checking criteria specific to that software. You can also narrow your search by location, revenue, number of employees and your budget. Capterra has put great care into making their site userfriendly and practical for any municipal software search, including accounting and payroll software. For those of you who prefer to submit your requirements, you can fill in a form and submit it, and have software vendors submit their quotes to you—at no cost to you.



Chapter 6

The Most Effective Way to
Evaluate a Fund Accounting
and Payroll System



*Learn how to make the most of your time
and reach the best decision for your city.*

There are several ways to test out your new system. Being aware of what is available will help you choose the right method for you and your city.

View product videos

Watching a video about your potential software is a good way to get to know the system and in general, what it has to offer, including some of its features and the user interface. The downside of product videos is that you can't search for the features you are seeking, or see how the product works. It is a great way to get a general feel for the system, which can be extremely helpful.



Attend a live demonstration


Some software companies offer potential users the opportunity to join a demonstration of their software, whether it's via the internet or in person. This can be a beneficial use of your time, since you can watch an expert navigate through the system, with the ability to ask questions along the way. After all, who is better at showing you the system than a system expert? Attending a demonstration is a must-do for the purchase of any software system!

A fully functioning trial software version

Some software vendors offer a trial version of their software for you to try out. Some software trials are fully functioning versions of the software, and others are more limited. The advantage to using a software trial version is that you can really get a feel for how the system works. However, without some training or at least familiarity with a software system, it's nearly impossible to get a true picture of how the software really works.



In a perfect world, you would have the option to use all three of the above to make your decision. First, view a product video at the start of your software search, in order to gain familiarity with the system. After that, attend a live demonstration to get an idea if that system (how it works and its feature set) is an appropriate option for you and your city. Using these two options together can be enough to make your decision, but if you still have questions after that, installing the trial software version can really help. Just be sure that when you are in the trial version working, there is somebody at the software vendor company who is willing to help you along the way and answer any questions that may arise during your evaluation.



Chapter 7

Factors that Affect the Cost of Fund Accounting and Payroll Software



Get an idea of how much accounting and payroll systems cost, and what variables typically affect the cost of accounting software programs.

Accounting software can range from 'free' to \$100,000+ in price. Well, much like the price you paid for the vehicle you drive, Fund accounting software prices vary for a wide variety of reasons. Here are some of the major components impacting the price tag.


Customization

There are two types of customization when it comes to fund accounting and payroll software. One type is more basic and allows you to customize components within the software. As systems become more robust, more customization is offered within the system. The other is 'open source code' which allows you (actually, a programmer) to customize the program to meet your needs. The more customization, the more expensive the software becomes. This is because more resources are needed to plan for and implement custom programming for your system. The ongoing support of customized software takes more time and resources, thus the more your support will cost.

Support

How do you feel as a customer of the software you use? When you contact the company for help, do you feel important? Or do you feel lost in a sea of other customers, trying to get your voice heard? Your fund accounting and payroll software is only as good as its support team. Maybe you need help setting up your system, trying to find the most efficient way to do something, or solving a problem that seems to be taking you a long time on your own. Your software support team should be able to help you with any of these issues and more. If you have to spend time waiting and hoping for somebody to call you back, only to realize they are not experienced enough to help you, that is wasted time and lost dollars. Opt for support that is experienced and available within a reasonable amount of time. Yes the price tag may be more, but in the end you will save money and keep things running smoothly. As with any important purchase you make, many factors should be considered when purchasing fund accounting software. Every detail and feature costs money to develop, distribute, support and maintain. Instead of focusing on price, be sure that the software you choose can handle your city's specific needs and help you support your community for years to come.





Chapter 8

Tips on Transferring Your Data to a New System



Transferring data from your old system to your new one may help you get up and running faster. Learn about ways to improve the data transfer process and get the data you need to start out.

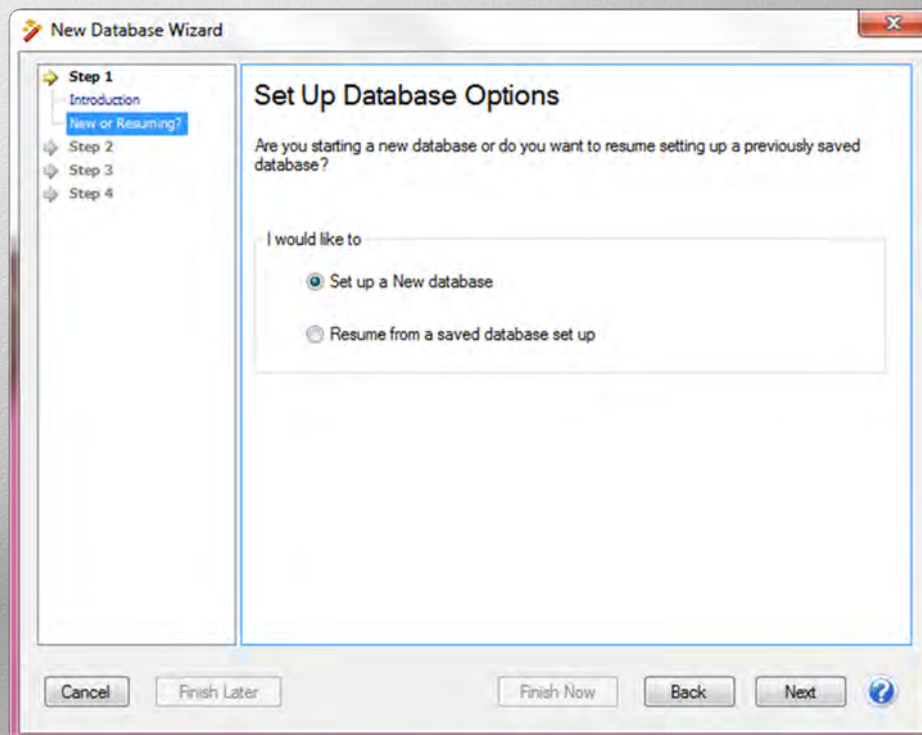
If you are thinking about transferring your data or 'migrating' to a new software system, here are some of the main things to consider.

Which information transfers to the new system

Which information you can bring from your old system to the new one depends on what you are able to get out of the old system, and also depends on how (and IF) that data will fit into your new system. Also, what tools and or services are available in the new system for you to pull in the data?

Most accounting systems will allow you to pull out a standard set of master information such as chart of accounts and vendor information. Keep in mind that you will likely NOT be able to transfer over any of your history when you are moving to a new program. You may be able to bring in beginning balances, or you may have to enter that information by hand. Again, this depends on the capacity of your old and new systems.

Many new systems will provide you with an import wizard, which guides you along the process of bringing in the master information from your old system. Before starting the wizard, you will need to be prepared with your data file, and have it saved somewhere accessible, in the format your new system requires. This is why it is important to research your export and import options well ahead of time.




Transfer data, or start over

After many years of using a general accounting system, you may find that it would be more helpful to manually enter your information into the new fund accounting system, rather than importing it. Entering the data by hand is time-consuming, but it also allows you to reconsider how you have things set up, and you can make improvements based on past experience. These improvements can be beneficial to you and your city for years to come. So before you decide to import your data, take a closer look at the way you have your system set up, and see if there's room for improvement. If so, you should consider starting in the new system from scratch.

Transfer yourself, or get help from a professional

Most fund accounting software companies will offer assistance in bringing in your data to the new system. (Of course, you will still need to provide your data to them.) Those who can help you with this service are familiar with their system and can provide expertise and experience you do not have. Therefore it is highly recommended to use a professional service to help you bring in your data for you. If there are any issues along the way, a professional is much more likely to troubleshoot and fix it quickly.





Chapter 9

How Do You Know You are Making
the Right Decision?



*Ask these questions to help ensure you are
choosing the right system – one that can handle
the needs of your city for years to come.*

When your search is done and you and your team are ready to present to council for approval, answer these questions.

- ✓ Did we do a good job of finding out which fund accounting systems are available?
- ✓ Did we include all the decision makers, to the extent they need to be involved?
- ✓ Did we create and use a detailed list of the features needed in a fund accounting system?
- ✓ Did we get a demo and test the software sufficiently?
- ✓ Does this system provide strong value for the money we are paying?
- ✓ Does the company provide excellent customer support?

If you answered 'yes' to all of the above questions, you should feel confident in making the decision to purchase the new system.





Free Demo



***CenterPoint® Fund Accounting
Handles the Needs of Those Outgrowing
Basic Accounting Software.***

“I am very happy that our municipal organization made the choice to upgrade our accounting and payroll software to CenterPoint Fund Accounting and CenterPoint Payroll.”

Mary Wiles, Highland, Arkansas

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