Thinking About Buying Accounting Software?...
Some Questions to Ask Your Prospective Accounting Software Vendor

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Perhaps you are tired of handwritten ledgers and manual payrolls. Or maybe you have had enough of your present software program and are looking into purchasing something better. Either way, there are basic considerations to ponder regarding accounting software vendors, starting with questions that you should ask yourself:

1. Am I seeking accounting software to use primarily as a bookkeeping tool? Do I simply want to write checks and print occasional financial reports?

2. Am I seeking an accounting software system that will become a vital part of my daily office operation? Something that I can rely on to provide key managerial reports as well as to provide basic accounting functions?

First and foremost, you do not need to spend a ton of money for software! Many lower cost programs may provide sufficient features to accommodate your needs and to insure valid financial information. Seek "best fit" and "overall value" when considering both supplier and software program. With this premise in mind, let's "source" for a software vendor that will meet your specific requirements.

Chat with your neighbors. Talk to neighboring municipalities and ask who they are using. Be sure to inquire as to the pros and cons of their system, and ask if they have ever considered purchasing something new (which will give you some insight as to how happy they really are).

Next, consult some trade magazines (like the one you're reading now). Often times these trade journals have advertisements or may be able to provide a list of categories regarding purchasing products and services (check out the back section of the Association of Towns Directory for an example).

Now that we have a few prospective suppliers in mind, let's generate a list of questions to ask each. Once again, we will be focusing on "overall value" and "best fit" for our respective needs.

Company Information

How long have you been in business? Are you located in New York State? How many individuals are on staff? (make sure to differentiate between full time and part time). Can you provide us with a list of references? (make sure to get a sufficient listing that reflects the extent of the supplier's client base).

Software Program

Note: decide which software modules are needed (i.e. General Ledger, Accounts Payable, and Payroll etc.) before approaching any supplier. Many times, a supplier will *recommend* modules and programs that are not really needed or that are redundant for the specific needs of the respective municipality.

Are your software modules fully integrated? Can they be purchased separately? Can I add modules at a later date? Is your program networkable? (meaning that the software can be used on more than one computer at a time) Can you provide us "source code"? (source code is that actual program coding which will allow independent updating and control of the software in case the vendor becomes insolvent).

Training

Is training accomplished on site in my office? Who will be doing the training? (supplier employee or adjunct consultant). Do you provide any help in establishing the new program? (i.e. loading the municipalities' funds and general ledger numbers). Will there be a "practice" program provided as part of the training process? (many suppliers will load a separate "play" program to help with training).

Support

Does support include unlimited calls? Does it include any updates and/or improvements? What are the hours that support will be available? Can I email questions? Do you have a website that provides software information? Can you link to us electronically with products like PCAnyWhere?

Cost

Are the respective modules priced separately? Is there a discount or added benefit for purchasing several modules at a time? Is payment required "up front" or can I get payment terms? How much is support? Is support required to obtain updates? How much is training? Is it on an hourly basis or flat fee? Does training including mileage and related expenses? Can you furnish a proposal that "breaks down" the various cost elements?

In Closing

Selecting a software program and supplier is critical to the smooth operation of the municipal office. It is not easily undertaken, and should not need to be repeated. Take sufficient time sourcing for someone that has a solid reputation, extensive client base and sufficient means to keep the respective program(s) current. Do your homework and make several calls to existing clients and also check with the Better Business Bureau. You are selecting someone who will be your partner in processing and presenting municipal information. Don't treat the task lightly!