

## Which Accounting Software Will you Choose?

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Pre conversion, schools will need to consider what accounting software changes are required in order that they can efficiently report to the Education Funding Agency (EFA) whilst also generating timely and relevant financial information for the governors and senior management.

This article looks at the different possible solutions available to academies to assist in their decision making.

In essence there are three possible solutions available to academies,

- Stay with the existing software package which tends to be the local authority software,
- Use academy bespoke software
- Purchase an easy to use off the shelf package.

Each has their own advantages, disadvantages and cost implications which will need to be considered. As all academies have different needs, resources and experience it is not the case that one size fits all.

### Existing Package

The main benefit of continuing to use the existing software package is that there is no retraining required. If it is not broken then don't fix it. There are already a significant number of changes on conversion so why add to the list. However, you will need to consider the cost of continuing to use the software. This may include a one off license or implementation fee. In addition you will need to ensure that it has been appropriately upgraded to produce the necessary EFA reporting requirements. You may also wish to consider whether it produces sufficient management information for use by the governors and senior management.

### Academy Bespoke Software

There are a couple of bespoke accounting systems currently on the market. The advantage is that they have been specifically designed for use by academies. The chart of accounts and reports are set up to meet the EFA reporting requirements and would be updated for any changes which almost certainly will occur. The systems are fairly logical to follow however there will be need for additional training and with all new systems there are bound to be teething problems. Historically this has tended to be the more expensive solution and out of the price range of smaller schools. However, prices have come down, especially in relation to smaller schools and are now a much more viable solution.

## Off the Shelf Package

For some schools they may prefer to go for a more user friendly and more widely known package, for example SAGE line 50. There is a wider availability of training and most bookkeepers and accountants have a good working knowledge if additional resource is required. However, training will be required depending on the existing level of knowledge, plus the chart of accounts and reports will need to be tailored. Subsequent amendments will be required for any changes to reporting made by the EFA. However, on the whole this has been a more cost effective option for smaller schools, especially where staff already has a working knowledge of the system.

As with all conversion issues, this is an area that should be considered by the schools conversion working party. At Streets we often assist with the discussions and if required sit in on meetings with software providers. If this is an area that you require additional information please do not hesitate to contact Streets by emailing [info@accountants4academies.co.uk](mailto:info@accountants4academies.co.uk) or calling 0845 8800320