

Manual Bookkeeping - Paper

- Inexpensive
- Not reliant on technology/power
- Prone to errors
- Time-consuming
 - Entering same information on multiple pages
 - Spend hours adding, fixing mistakes, creating reports, etc.
- Not adaptable to changes
- Only suitable for 'simple' organizations

Very few organizations using paper

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Accounting Software - Do You Need It?

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Manual Bookkeeping - Computer

- Inexpensive (Google sheets is free!)
- · Less time-consuming than paper
- More adaptable than paper
- Still may require entering information multiple times
 - Prone to errors
- Reliant on technology (need computer, affected by power outages etc.)
 - Vulnerable to data loss

Better suited to simple/smaller organizations

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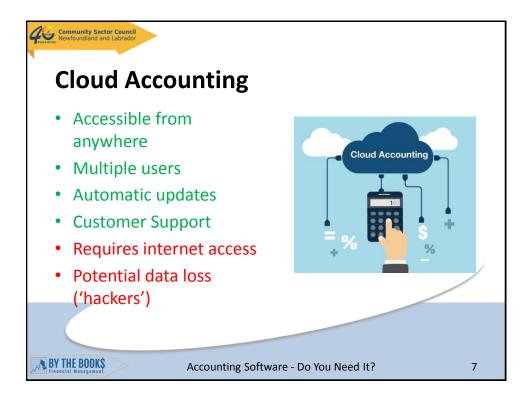
Accounting Software

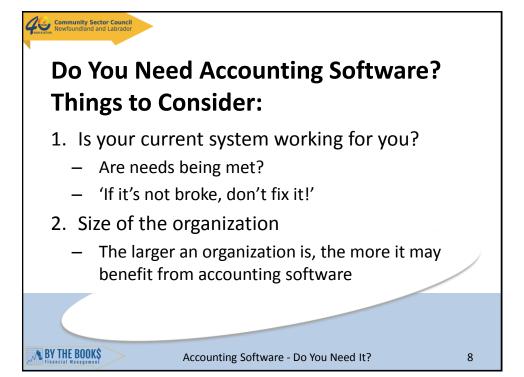
- Efficient
- Improved accuracy
- Grows with organization
- Availability of technical support
- Quick/easy to back-up data
- Security options (passwords, limiting access)
- Generally more up-front cost than manual systems
- Susceptible to data loss (power failures, viruses)
- Careless data entry
- May require training

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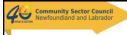
Do You Need Accounting Software? Things to Consider:

- 3. What financial/accounting experience does the person in charge of the finances have?
 - Even if the books are 'simple' to some, not everyone may view them that way
- 4. Complexity of the organization
 - Smaller organizations may benefit from accounting software if operations are complex and/or diverse

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You Need Software – How Do You Decide Which One?

- How much money do we have to spend?
- How many users?
- Where do I want to access software from?
- What features/add-ons do we need?
 - i.e. payroll modules, inventory tracking, ability to create charitable receipts, etc.
- Software commonly used?
- FREE trials!

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Cost / Benefit Analysis

- 1. Define alternatives
 - Specific software assessed to be suitable
 - Contracting out?
- 2. Quantify costs related to each alternative
 - Consider up-front costs such as software and hardware, training costs etc.
 - Consider if costs are one-time vs.monthly/annually

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Cost / Benefit Analysis

- 3. Consider qualitative (non-financial) factors
 - Time savings/efficiency
 - Initial time investment
 - Staff already familiar with any of the options?
 - Contracting out
 - Experienced personnel
 - Relying on someone else
 - Timing of information processing/reports etc.
 - Ensuring data is secure and backed up
- Draw a conclusion!

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Conclusion

- Managing your organization should not be taken lightly
 - Good bookkeeping leads to good decisions
 - Bad bookkeeping can cause major oversights
- There are cost-effective (and even FREE) software options available!
- Find the alternative that works best for YOUR organization

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Resources/Links

✓ BDC: Free and low-cost accounting and invoicing software for your business:

https://www.bdc.ca/en/articles-tools/technology/free-low-cost-applications/pages/accounting-software-free-low-cost-options.aspx

✓ **Software Advice:** *Nonprofit Accounting Software*: https://www.softwareadvice.com/ca/nonprofit/accounting-software-comparison/#buyers-guide

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