Financial Systems Rationale

Exchequer

The current situation of using a large manufacturing based processed system was proving intolerable. It was responsible for slower data input with outdated "work around" routines developed by the provider to carry out mundane tasks, so that a simple two line journal involved inputting to Excel and running routines to import into the account system rather than using the direct functions.

The system had been further complicated by a poor attempt to replace a functioning simple account code structure with a multifaceted coding that required several levels being filled with bland detail such as "non-specific" and "miscellaneous". Control accounts were common yet did not control anything.

Human error inevitably increased and year end 2018 was not a success.

As we considered IT plans going forward a "cloud based" server was hampered by the unrealistic cost of moving Exchequer to the cloud of well over £15,000 first year cost (move, upgrade and ongoing annual charge)

Even staying on the hardware server involved costs of £2,100 for a compulsory upgrade and the £4,300 ongoing annual maintenance charge. This coupled with the server being beyond support involved further capital cost of around £8,000

It was therefore proposed through Finance to the Trustees at Executive that the system should be replaced with a simpler, more flexible accounting system

Options

The various options considered were from a short list of popular, low cost options for small and medium operations:

> Sage
> Quickbooks
> Xero
> Zipbooks

Each had established user bases and would therefore also be familiar to potential accounting staff when recruitment arose.

A modern feature of systems is the provision of apps to aid in reporting and data import, these were also considered as part of the selection.

Sage

The benchmark product with universal acceptance as a solid accounting tool.   Starts at £65 per month does everything we need.   Sage do not push apps themselves so any additional features wanted would not be supported in future releases. As such it is important that the main system does everything we want.   It did although purchase invoices were cumbersome to set up to make easy.

Should a less computer literate Finance Manager be employed in the future there may need to be external support (Netmatters) to make changes or correct problems.

Quickbooks

Second in terms of functionality to Sage, but with more add-on applications available due to their approach to freeing up their software to other developers. £24 a month with introductory offers for the first few months. The apps allow data to be imported easily by an accountant for our history. Invoices can be dragged and dropped by pdf and then information auto captured. Would allow reduction in hours worked once staff comfortable with it. Facility to automate bank links. Easy to maintain so a less computer literate Finance Manager should be able to support it.   External "Accountant" feature lends itself to be used by a Treasurer, particularly if that Treasurer worked in practice.

Particularly liked ability to add notes to documents to remove further paper records. Documents held with transaction so external Treasure/auditors see all in one place.

Clear winner overall.

Xero

The main competitor to Quickbooks with many of the same features and a good selection of add-on apps (some from the same developers. £24 a month as with Quickbooks it worked well in certain areas but lacked the coding advantages that Quickbooks had. Seemed to require more adaption of how we worked to achieve the same ends.

Once set up it worked fairly well and had advantages over Quickbooks on terminology (annoyance rather than a problem)

Definitely the second best option and easy to switch should it be felt to overtake Quickbooks.

Zipbooks

The more basic of those considered. Could still be made to work, but lacks credibility and longevity. Coming in at £21 a month with less applications available and appearing more basic this was ruled out at the early stages.

Conclusion

Girlguiding Anglia by subscribing to Quickbooks have a flexible "fit for purpose" accounting system for a basic £288 a year. There is no commitment and the subscription can be finished at any point with a maximum of a month's notice.

Although the add-ons purchased have cost a further £300 we have a front end management information system suitable for Trustees and Managers, a straightforward accounting system for meeting our needs and easy analysis applications for auditors. Hence a minimum saving of £8,000 and ongoing annual cost of £4,000 plus the potential to reduce staff costs.