

If your city is currently using a general accounting system that was made for businesses, does it matter?

Well, of course, when budgets and council approval are the deciding factor, many different decision makers have input on which one to use. To ensure your decision makers have selected the best accounting and payroll system for your city, let's have a look at the very real differences between using a general versus a fund accounting software.

Financial Confidence

When a city is using an accounting system made for businesses, pulling together financial information can be hard to do, and often requires using several programs to get the right information. Doing this can lead to errors. It's also extremely time consuming for your clerk and auditor, making the audit more costly for the city. Using a system that is meant for fund accounting provides a simple way to run the correct reports right within the system, so fewer errors are made, and all entities involved can be more confident in the numbers. This means decisions will be made on accurate information, and the entire team will have more confidence in the financial information.

Reports

Whether it's the city council, staff, or accountant, those involved will want to understand information by fund, department, or by project. Since a general accounting system is not set up to provide that type of information, it can be extremely difficult to get what they are looking for. This often requires the expense of a consultant to customize the software to get this information. If it is even possible to get it, painstaking manual processes are used. A fund accounting system is set up correctly from the start, and reports can be run at any time, by fund, department or project. Reports specifically designed for cities are included and often customizable, so information can quickly be gathered for those who request it.

Budgets

In a general accounting system, budgeting may be limited and is better suited for businesses rather than cities, and therefore budgeting can be hard to do, and budget reporting is even harder. With a fund accounting system, budgeting is included and customizable. Council can have a Budget to Actual report that is current for every meeting.



Support

Support teams for general accounting systems are usually not knowledgeable about fund accounting, and therefore cannot help with the city's fund accounting needs. By having a team that understands fund accounting, a city can stay on top of day-to-day tasks, so the job of managing information and getting reports is faster and more accurate.

In summary, if your city is using general accounting software, great benefits are in store for you and the entire city by moving to a fund accounting system. Information is easier to manage and accurate, reports can be run at any time, and your auditor's job will be made easier. The entire city benefits when decisions are based on the right financial information.