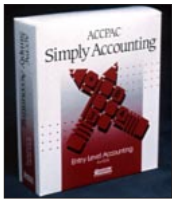


Integrated Accounting

by Craig Savage



ACCPAC *Simply Accounting* (\$199) is available for Macintosh (requires 1MB memory and an 800k disk drive), and IBM-compatible PCs (requires a minimum of 2 disk drives, 384k RAM, and DOS 3.0). The program is also compatible with Windows 3.0 or higher. To find a distributor, call 800/255-5224.

An NAHB survey shows that over 75% of contractors use computers. What that number doesn't tell us, however, is how effectively they use

computers. If the number of phone calls I receive from unhappy contractors is any indicator, plenty of builders feel they could be getting a lot more from their computers and software than they are getting now.

Too many contractors have bought integrated construction software and have never used it. Others are no longer using it or are using only parts of it. This is not the computer's fault, and in many cases, it's not the software's fault either: False expectations cause the problem. We expect technology to organize us and make us more productive, but the truth is that if our organization is a mess, then

using computers only results in an automated mess.

Contractors also expect "integrated" software to be simple to use because data is entered only once. The exact opposite is true: The more things you expect the software to do, the less control you have over how it goes about doing it. And the more far reaching the integration is, the more far reaching will be the consequences of the mistakes you make.

Given all this, my advice when it comes to construction accounting is, "Walk before you run." To me that means starting with a simple system that's easy to understand so you can quickly get to work using it. Once you have a working system — one that at least organizes your information — then you can start to worry about integration.

Double Entry Made Easy

If you're one of those contractors who's tired of feeling guilty about not having an airtight accounting and job costing system, there's an off-the-shelf accounting program that is a good choice for small builders. It's called *Simply Accounting* and it's available for the DOS, Windows, and Macintosh platforms with exactly the same functions and essentially the same interface. So you can all keep on reading.

Unlike *Quicken*, *Best Books*, and *MYOB*, which are essentially electronic check registers, *Simply Accounting* is a true double entry accounting system that integrates several modules, including General Ledger, Accounts Payable, Accounts Receivable, Payroll, Inventory, and Project (job cost). But you don't have to be a CPA to use this software. *Simply Accounting* uses graphic representations of checks, invoices, payroll cards, and other familiar office forms, that you fill in on screen. This makes using the program a breeze and keeps the debit-credit confusion to a minimum. For example, when you record a purchase, you click open the Purchase Journal, fill in the form, and post the transaction. Likewise, when you pay a bill, you click open the Payments Journal and fill in a "check" (see Figure 1, page 46). The same is true when you make a sale (recorded in the "Sales Journal") or receive a payment (recorded in the "Receipts Journal"). And you can use an account number to track and distribute job costs.

The Payroll module is so easy to set up and use that you'll swear something is missing, but it's not. To distribute labor costs to different jobs, you simply select the "Distribute" button and allocate a percentage of total payroll to each job (Figure 2). Unfortunately, there's no on-screen calculator to help you with these calculations. (Of course, Windows and Mac users can use their "desktop" calculators.)

You will spend most of your time

with the Payables and Receivables modules, but there is also an Inventory module (especially useful for subs), and a General Journal for when you screw up an entry. But there aren't too many ways to go wrong with this program, so you won't be in the GJ all that much.

Versatile Reports

Reports, of course, are why you do accounting (other than for the IRS) and this program has more than enough reports for the average small builder. In addition to a Balance Sheet, Income Statement, and Trial Balance, the program prints Customer Statements and aging reports for both vendors and customers. The Payroll module prints employee summaries, quarterly reports, and W-2s (but not 1099s).

The Project Report is based on your chart of accounts, so the amount of detail you get depends on the number of material and labor accounts you set up. For me, a generalized job cost report is just fine. I don't really need to know how much nails are costing me per foot: I want simply to know whether framing is high or low.

The real strength of reporting lies with *Simply Accounting*'s ability to send data to the clipboard via an export function in the Mac, and through DDE (dynamic data exchange) in the Windows version.

Like Peachtree's *At Once* and Microsoft's *Profit* (true double entry systems that include payroll and job cost functions), *Simply Accounting* is the second step in the evolution toward a totally integrated construction package. If *Quicken* is crawling, *Simply Accounting* is walking. Eventually you'll be running with *Timberline*, *Yardi*, *Master Builder*, or *Buildsoft*. Until then, keep on clickin'. ■

Craig Savage, a longtime builder and Macintosh user, owns *Savage Co.*, in *Carpenteria, Calif.*, and publishes the *Macintosh Construction Forum*.

Invoice	Original Amt.	Amt. Owing	Payment Amt.
99	2750.00	2750.00	
123	995.00	995.00	
02222	45.00	45.00	45.00
Total:		45.00	

Figure 1. To pay a bill, simply pick an invoice from the list (bottom window), and specify the amount to be paid. *Simply Accounting* automatically fills in the on-screen check with the name and address of the payee, the date, and the amount.

Period Start	FIT	Gross pay
5/2/95		480.00
Period End	SIT	Withheld
5/15/95		-36.72
Reg.	Medicare Tax	Benefits
40.00	6.96	0.00
Ovt.	Soc Sec Tax	Tips
	29.76	0.00
Salary	SDI	Advance
Tips	Local	Net pay
		443.28
Commission	Union	
Benefits	Medical	
Vacation	Dental	

Figure 2. The Payroll Journal uses hours worked and rate of pay to calculate wages and withholdings, and fill out the on-screen pay check. Click on the "Distribute" button (bottom right) to track labor costs for more than one job.

Computer Bytes

Users of Great Plains Software's job cost module can now purchase an interface to *Timberline Software's Precision Estimating*. The package will be available from Great Plains resellers this month, and includes one of several Precision databases specially developed for use with Great Plains Accounting (version 7). Suggested retail price for *Precision Estimating*, including the interface, is \$1,290. Minimum requirements for IBM or compatible computers are DOS 3.0 and 640k RAM. For more information, contact Great Plains Software, 1701 Southwest 38th St., Fargo, ND 58103; 701/281-0550.

— Sal Alfano