REGARDING THE CRITERIA FOR SELECTION AND ASSESSMENT OF SOFTWARE FOR ACCOUNTING AUTOMATION

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Abstract: Due to large availability of systems for computerized accounting, the responsible specialists of enterprises have to seek the best software option. It is therefore necessary to research the marketed software products, meet the requirements for computer configuration, functionality, price and more. An attempt has been made to highlight the issues in the selection and evaluation of software in a time when new software products are constantly created.  

Keywords: selection and assessment of software; accounting automation

1. Introduction

Due to the great abundance of systems for accounting automatization marketed in Bulgaria, managers and chief accountants of enterprises have to choose the most appropriate software. This forces them to study the proposed software products very carefully, as well as their requirements on computer configuration, their functional capabilities, price, etc.

The aim of the project is to clarify the selection criterion, and the problems in the selection and evaluation of software now that new software products are constantly created.

2. Main text

2.1. Prerequisites for selection of software

Both Bulgarian and foreign manufacturers of management systems find themselves focused on offering more and more flexible solutions, suitable for both large

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and small companies; this offer is done in the competitive environment of information technology.

The selection of technical means for automation of accounting depends on the options offered. Currently there are many software companies for computerization of accounting that offer a wide variety of all technical means for this purpose.

The choice of computer equipment is essential when choosing technical means. This applies to both the selection of the model/configuration of the computer, and the number of computers to be used.

The Bulgarian market is supplied with both computers of well-known brands manufactured in Western countries, and computers configured by Bulgarian companies. Current practices show that the first type is generally more reliable and has better functional performance. But the prices are twice as high. We all purchase computers, mostly made in China, Malaysia, Singapore, Korea and other countries in Southeast Asia. Most of them are only assembled by Bulgarian companies because they are imported as finished components. They have good reliability and lower prices.

Companies are often unsure how many computers they need to purchase. Practice shows that for every workplace a separate PC is required, which has proven to be the best solution, but it can’t be done right away due to lack of financial resources.

For this reason enterprises usually purchase computers with various brands and configurations. Their use allows for easier organization of the accounting process, all the while complying with the basic requirements for developing systems. The number of computers needed depends on the method of data processing, i.e. local mode or network. Local operation mode is usually applied in smaller enterprises having fewer computers, while local networks have greater capabilities and can be used in larger companies. This combines new and old computers in a better way. Their workload is also a factor in determining the number needed.

Then comes the choice of software for processing accounting information. Accounting tasks are solved with software created in the relevant algorithmic language. Accountants often find choosing one software product difficult because of the large number of offered products on the Bulgarian software market.

Apart from the need to comply with the Accountancy Act and the National Chart of Accounts, all software products have their pros and cons. There are also specific features related to the production and organizational conditions in individual enterprises. These features are related to differences in the importance of individual accounting sites, solutions, differences in the volume of the processed and stored information, etc. This requires additional adjusting of the system.

2.2. Software features and methods for selecting them

Those issues are covered differently in different software products. There are also differences in the method of operation, capacity, etc. The ease of learning and mastering those software products is also not the same. The software’s characteristics and their selection affect the efficiency of automation in accounting. Therefore, when selecting a
Regarding the criteria for selection and assessment of software for accounting automation

software product, the actions of the people responsible for the choice are generally as follows:

1. Review and introduction to different software products, which can be done either through demonstrations or by putting them into action;
2. In-depth familiarization with the functions and method of operation. The methods used and the output received are important here.

This means familiarization with the quality of the software and checking the main criteria for that quality. They are reduced to providing the opportunity for the following:

1. Generation of an individual chart of accounts by the user, and the possibility to edit or change it at any given moment of the period;
2. Practical use of the nomenclatures created, such as financial statements, chart of accounts, etc., as in the establishing of a new company.
3. Start processing of information of a separate company at any given moment of the accounting period, to be carried out quickly and smoothly;
4. Tracking and conversion of the financial result for tax purposes at the time of preparing of accounting operations;
5. Completion and testing of logs and declarations that enable control functions, facilitating the correctness of work;
6. Inserting, deleting or editing accounting operations.
7. Carrying out automatic operations related to closing the accounts at the end of the reporting period;
8. Automatic closing and recording all information in a subsequent accounting period with the option for corrections at a later stage;
9. Data back-up and storage for any company;
10. Local settings of the organization of existence for each company whose information is processed;
11. Preparation of initial financial and managerial reports and statements;
12. Calculating analytical turnovers of accounts with information on value/quantity;
13. Preparation of a reference and status of an account;
14. Preparation of a ledger;
15. Receiving information about late payments and accounts with counterparties;
16. Preparation of Balance, Profit and Loss Accounts, Cash Flows, etc.;
17. Searching and finding documents according to different criteria;
18. User-generated individual reports and statements;
19. Implementation of networking;
20. Providing the ability to send all queries and reports.
We will also point out methods for selecting the software:

1. Advertising. The most popular software products in the advertising practice are Ajur, Business Navigator and Konto. Due to the brevity of the ads and the possibility that the advertised capabilities are not the real ones, it’s hard to gain real understanding in order to select a product;

2. Demonstration. During exhibitions and fairs, or special promotions, companies manufacturing their own software products make demonstration. Companies also offer demo versions on those occasions;

3. Monitoring. Enterprises which have purchased and implemented a given software present it in practice. The goal is for the eventual users to assess whether it meets their needs or not. Future users monitor the capabilities of one or more software products, but not all, so they do not know their qualities. This also makes it difficult to choose the right software;

4. Visiting to the representatives of software producing companies. There they give a presentation of their software products on the spot. Users have to do research on whether software companies offer software updates and at what price.

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Unlicensed software may represent an outdated version of the computer program, it can be a copy with multiple viruses, it can be an incomplete or not correctly generated copy, which can lead to deletion of data. Because of this, the purchase or copying of unlicensed software can lead to aggravation of these problems and expensive recovery.

When forming the company policy, the management of the enterprise should accept only licensed software, and then the officials may declare their readiness to comply with the adopted policy. So without the explicit written order by the management of the enterprise, employees should not be allowed to acquire software directly, no matter in what way. The same goes for installing software from the Internet.

In order to optimize the need of software and ensure its effective use, management of the enterprise should be aware of the type of software needed. Solving this problem should be done in compliance with the license agreement and the law.
Cost control is essential for the proper management of the accounting software. The costs of acquiring the necessary software, its maintenance and staff training should be tracked. Planning funds for the purchase of both new software and new versions of software leads to a better management of software assets.

Planning should be limited only to purchasing the required software and the cost of updating, installation and maintenance, taking into account any possible discounts.

The inclusion of software as a separate unit within the budget of the enterprise is a major step in carrying out cost control. It has two advantages:

a) It provides for planning of the purchase of software and updated versions;

b) The purchases made are precisely tracked and any unlicensed copies are identified.

We also have to point out that there are several reasons causing big problems when selecting a software product:

1. Accountants working with software products are not familiar with their functions;
2. The real capabilities of the products are not always mentioned in ads;
3. There is no information on most software products;
4. Lack of information about the difficulties in implementing and studying the software products;
5. It is difficult to assess the impact of prices when selecting software products.

3. Conclusion

The search for the perfect product should not be an end in itself. Due to the continuous creation of new software products, one should look for the product that is best suited for the particular conditions in the enterprise. It should allow for functional improvement and development. In the process of automation of accounting, an important prerequisite is the effectiveness of the chosen software program, which serves as the main selection criteria.

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KRITERIJUMI ZA IZBOR I OCENU SOFTVERA ZA AUTOMATIZOVANJE RAČUNOVODSTVA

Apstrakt: Zbog velike dostupnosti sistema za kompjuterizovano računovodstvo, odgovorni stručnjaci preduzeća moraju da traže najbolje opcije za softver. Stoga je neophodno da se istraže softverski proizvodi u prometu, a ispune uslove za konfiguraciju kompjutera, funkcionalnost, i cena itd. Učinjen je pokušaj da se istakne pitanje u izboru i vrednovanju softvera u vreme kada se novi softverski proizvodi stalno stvaraju.

Ključne reči: izbor i ocena programa; računovodstvo automatizacija