



# GRADUATE INTO CONSTRUCTION-SPECIFIC ACCOUNTING SOFTWARE

Once you outgrow your software, it shouldn't hold back  
your growth

*BY FOUNDATION SOFTWARE*

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software

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Greek mythology tells of a hostel keeper named Procrustes, who had only one bed, one size. If the guest was too tall, or too short, Procrustes would fit his guest to the bed, rather than his bed to the guest. Your accounting software should be different. General-purpose accounting software is often the best way for small contractors to start out their businesses, but once you outgrow your software, it shouldn't hold back your growth. How do you know it's time to graduate into construction-specific accounting software? Some of the growing pains to pay attention to occur in the areas of job costing, financial reporting and payroll.

## DOES YOUR JOB COSTING LOOK LIKE THIS-JOB-OR-THAT COSTING?

Profitability in construction can depend upon successful job costing. To determine where costs need to be controlled and where profits can be maximized, you need the ability to measure actual vs. estimated costs in real time at the various levels that organize your projects. Most general-purpose accounting systems, however, force contractors to track costs only by a single level of cost detail—this expense or that expense, this job or that. This makes it difficult—if not impossible—to produce the job-costing information that you need to assess your financial position and that your project managers need to assess the job's progress. Your project might be running in the black, but is your concrete work boosting or eating into your profits? If your building is running behind costs, is the problem on the upper or the lower floors? If you can't answer these questions within minutes, your software might be a poor fit.



FOUNDATION construction accounting software empowers you to track costs and revenues according to the jobs, phases, cost codes and cost classes that make sense for your business. This user-defined costing structure is then fully integrated with the General Ledger, Accounts Payable, Accounts Receivable and Payroll Modules, so the costs and income recorded in your daily operations don't have to be tracked in a secondary system for analysis. As a result, FOUNDATION has the power to easily and conveniently report on cost-to-complete, work-in-progress and change-order data.

## ARE YOUR MANAGERS SPENDING MOST OF THEIR TIME IN EXCEL?

Without the kind of sophisticated, flexible costing system required in construction, general-purpose accounting software severely limits the data you have available for reporting and analysis. This can mean time lost on compiling data, reentering data into separate programs and manually creating reports from spreadsheets. All of this double entry also multiplies the risk of errors. In the end, however, it isn't merely inefficient; it's being fit to a software that doesn't fit.

Because FOUNDATION records each transaction with detailed job-costing information, it enables you to build reports quickly, which means that you can see the big picture easily and know exactly where your numbers are coming from. In addition to income statements and balance sheets, users can regularly view reports like Gross Profit by Job, Job Overhead Allocation, Over/Under Billing, Cash Flow by Job and more, all in the same program, where your data lives anyway. More, visualize these reports along with pre-programed graphs on an easy-to-read executive dashboard. This gives you a broad overview with the ability to drilldown into the detail level of invoices, journal entries and inventory receipts.

## IS YOUR PAYROLL A PAIN POINT?

The construction industry has one of the most complex sets of payroll requirements. Between union benefits and prevailing wage, multiple trades and multi-state deductions, general-purpose accounting software simply isn't built for all of the operations, *if-thens* and exceptions that characterize a payroll week in construction. Having to perform these calculations and required reports outside of your accounting system not only takes time; it bears a high risk of error, which you can ill afford when cutting checks for your employees and reporting to outside agencies. The larger your payroll grows, the more painful this mismatch between your company and your software is going to be.

The complicated logic of fringes, deductions, worker's compensation and prevailing wages, even across multiple authorities, is at home in a construction-specific software like FOUNDATION. For example, only construction-specific software can (1) calculate an employee's time to multiple jobs and phases, (2) compute multi-state and local taxes, prevailing or union wages, deductions, fringes, and burdens, and (3) update your general ledger and job costing. FOUNDATION also features built-in 941, 940/ACA reports, certified payroll and minority compliance reports, which use data already in your system so they can be printed within minutes.

## WHAT ABOUT—?

Job costing, financial reporting and payroll are some of the major areas where a poorly fitting accounting software can be holding your company back, but what about AIA billings, purchase orders, subcontracts, equipment usage? The list could certainly go on. And if you're wondering whether you've outgrown your accounting software, the list *should* go on. These are all things that construction-specific software is built to handle so you can handle your business and keep it growing.

Being constrained by an accounting software that no longer fits your business isn't just an issue of growing pains. A general-purpose system can be holding your company back from future growth, so it's important to assess whether now is the time to graduate to a construction-specific accounting software that will grow with your business. As you do, you'll want to ask whether your current software is really a close fit for your business or whether, like one of Procrustes' guests, your Business is being fit to your software.

Are you ready to graduate from a one-size-fits-all software to the software that grows with you? See all the features and flexibility that FOUNDATION has to offer as America's #1 Construction Accounting Software.

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Foundation Software is the developer of FOUNDATION® – America's #1 Construction Accounting Software. Since 1985, we've been dedicated to giving contractors the back office tools they need to manage their job cost accounting, project management, and scheduling.

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