



HARD CLOSE VS. DATE-SENSITIVE ACCOUNTING SYSTEMS?

Technically Speaking

BY FRED ODE

HARD CLOSE VS. DATE-SENSITIVE ACCOUNTING SYSTEMS?

Technically Speaking

Editor's Note: Looking for answers to your tech issues? Send your construction-related technology questions to heyfred@foundationsoft.com.

Q: I'm having a hard time getting prior years' data out of my accounting system, especially when the data crosses over a fiscal year-end boundary. The Department of Labor's Office of Workers' Compensation Programs (OWCP) came in recently for an audit and requested information from July 1, 2006 through June 30, 2007. It took us nearly an entire day to manually summarize the information from a compilation of printouts. Do you have any suggestions?

Fran

A: Many outdated accounting applications use a hard-close system, which is designed to prevent users from posting data in periods that have already been reconciled. Unfortunately, you have described just one disadvantage to using such a system.

Date-sensitive systems, in contrast, allow users to access any report, including historical data from any date and time, even past years. To prevent data entry or adjustment errors, these systems also offer a user-defined date range that can be set up and controlled by an administrator.



When combined with an integrated job cost accounting system, date sensitivity also creates unlimited opportunities for construction business owners and managers to view and analyze historical job data. With access to all post-project reporting, contractors are able to produce more accurate estimates, improve productivity and streamline workflow.

Of course, date sensitivity is just one criterion to use when determining whether or not your current accounting system is right for your business. Because hard-close systems present many obstacles when it comes to reporting, you may want to consider other limitations of your accounting software. Now may be the time to start thinking about how you can better meet your company's unique accounting and financial management requirements.

Fred



FRED ODE

Founder & Chairman/CEO
Foundation Software, Inc., of Brunswick, Ohio

He started the company in 1985 after spending several years developing customized software systems for the construction market. He has managed the growth and development of the company from start-up to leading supplier of construction accounting software.

Disclaimer: Technically Speaking reserves the right to change names and edit questions for privacy, length, and readability issues.

Published in Construction Business Owner



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.

WWW.FOUNDATIONSOFT.COM