

## **Accounting Systems Ratings**

### **Charitable and Not for Profit Sector**

We offer discounts for great accounting systems (but, of course, for poor systems we charge more).

Select your accounting system, then find out what your rating is.

Do you use a proprietary accounting software package, such as Sage, QuickBooks, etc. (You may use spreadsheets for additional information)? See ‘Computerised Accounting System’ on page 2 below.

Do you do everything on a spreadsheet, such as Excel? See ‘Spreadsheet Accounting System’ on page 3 below.

Do you have a manual system (e.g. handwritten cashbook, etc., with or without spreadsheets)? See ‘Manual Accounting System’ on page 4 below.

**All organisations should be aiming for Computerised – Very Good rating. This will give management the best information to enable them to run the organisation efficiently. This rating also gives the lowest cost for your compliance work.**

**If your systems are not Computerised, at Very Good, then why not ask us to train your staff to bring your systems up to this level – or outsource your bookkeeping to us, freeing your staff for more valuable work, such as fundraising, etc?**

Please note that our ratings do not consider the requirements of the current SORP. Our fee is not affected by the level of information provided by you to comply with SORP. Please note, however, that failure to comply could result in a qualification or modification to our Audit Report. For more information, please contact us.

### ***Computerised Accounting System***

**No rating** - You post all your entries in the system, but all to just one or two accounts. There is no analysis done. Sorry, but we treat this as the same as a manual system ('No proper accounting system')

**Very poor** - You post all your entries in the system, analysed to expense and income headings.

**Poor** - You post all your entries in the system, using the sales and purchase ledgers. Everything is analysed to expense and income headings.

**Average** - You post all your entries in the system, using the sales and purchase ledgers. Everything is analysed to expense and income headings. You check and reconcile all bank accounts, and keep the reconciliation for us (at least the one for the year end).

**Above average** - You post all your entries in the system, using the sales and purchase ledgers. Everything is analysed to expense and income headings. You check and reconcile all bank accounts, and keep the reconciliation for us (at least the one for the year end). You check and reconcile the Sales and Purchase ledgers, and produce and keep agreed aged reports.

**Good** - You post all your entries in the system, using the sales and purchase ledgers. Everything is analysed to expense and income headings. You check and reconcile all bank accounts, and keep the reconciliation for us (at least the one for the year end). You check and reconcile the Sales and Purchase ledgers, and produce and keep agreed aged reports. You reconcile Petty Cash, and your VAT (if registered) control accounts.

**Very good** - You post all your entries in the system, using the sales and purchase ledgers. Everything is analysed to expense and income headings. You check and reconcile all bank accounts monthly, and keep the reconciliations for us (at least the one for the year end). You check and reconcile the Sales and Purchase ledgers, and produce and keep agreed aged reports. You reconcile Petty Cash, and your VAT (if registered) control accounts. You also post gross wages and NI to the profit & loss account, and reconcile the Wages and PAYE/NIC control accounts. All your Fixed Assets are properly recorded. If you have Loans and HP agreements, they have been correctly accounted for in the ledgers. Any inter-company accounts are reconciled. Provisions are made (e.g. depreciation, bad debts). Accruals and prepayments are entered. You produce management accounts.

### ***Spreadsheet Accounting System***

**No proper accounting system** - You put all your paperwork in a box or bag for us. Or perhaps you enter items in a spreadsheet in just one or two columns. There is no analysis done.

**Very poor** - You enter your bank receipts and payments in a cash spreadsheet, analysed to expense and income headings, but not added up or checked to the bank.

**Poor** - You enter your bank receipts and payments in a cash spreadsheet, analysed to expense and income headings. You add up the spreadsheet - down and cross totals, but don't check it to the bank.

**Average** - You enter your bank receipts and payments in a cash spreadsheet, analysed to expense and income headings. You add up the spreadsheet - down and cross totals. You check and reconcile all bank accounts, and keep the reconciliation for us (at least the one for the year end).

**Above average** - You keep sales and purchases day spreadsheets. Everything is analysed to expense and income headings. Your cash spreadsheet has a column for sales receipts and purchase payments (reflecting the invoices in the day spreadsheets). You check and reconcile all bank accounts, and keep the reconciliation for us (at least the one for the year end).

**Good** - You keep sales and purchases day spreadsheets. Everything is analysed to expense and income headings. Your cash spreadsheet has a column for sales receipts and purchase payments (reflecting the invoices in the day spreadsheets). You check and reconcile all bank accounts, and keep the reconciliation for us (at least the one for the year end). You check and reconcile the Sales and Purchase ledgers, and produce and keep agreed aged lists. You reconcile Petty Cash, and your VAT control accounts.

**Very good** - You keep sales and purchases day spreadsheets. Everything is analysed to expense and income headings. Your cash spreadsheet has a column for sales receipts and purchase payments (reflecting the invoices in the day spreadsheets). You check and reconcile all bank accounts monthly, and keep the reconciliation for us (at least the one for the year end). You check and reconcile the Sales and Purchase ledgers, and produce and keep agreed aged lists. You reconcile Petty Cash, and your VAT control accounts. You also keep reports on spreadsheets, reflecting the transactions in your day spreadsheets and cash spreadsheet. The spreadsheet will show your income and expenditure for the year in detail. You will enter gross wages and NI to the profit & loss account, and prepare a reconciliation of net Wages and PAYE/NIC liabilities. All your Fixed Assets are properly recorded. If you have Loans and HP agreements, they have been correctly accounted for in the spreadsheets. Any inter-company transactions are reconciled. Provisions are made (e.g. depreciation, bad debts). Accruals and prepayments are entered.

## ***Manual Accounting System***

**No proper accounting system** - You put all your paperwork in a box or bag for us. Or perhaps you enter items in a book in just one or two columns. There is no analysis done.

**Very poor** - You enter your bank receipts and payments in a cash book, analysed to expense and income headings, but not added up or checked to the bank.

**Poor** - You enter your bank receipts and payments in a cash book, analysed to expense and income headings. You add up the book - down and cross totals, but don't check it to the bank.

**Average** - You enter your bank receipts and payments in a cash book, analysed to expense and income headings. You add up the book - down and cross totals. You check and reconcile all bank accounts, and keep the reconciliation for us (at least the one for the year end).

**Above average** - You keep sales and purchases day books. Everything is analysed to expense and income headings. Your cash book has a column for sales receipts and purchase payments (reflecting the invoices in the day books). You check and reconcile all bank accounts, and keep the reconciliation for us (at least the one for the year end).

**Good** - You keep sales and purchases day books. Everything is analysed to expense and income headings. Your cash book has a column for sales receipts and purchase payments (reflecting the invoices in the day books). You check and reconcile all bank accounts, and keep the reconciliation for us (at least the one for the year end). You check and reconcile the Sales and Purchase ledgers, and produce and keep agreed aged lists. You reconcile Petty Cash, and your VAT control accounts.

**Very good** - You keep sales and purchases day books. Everything is analysed to expense and income headings. Your cash book has a column for sales receipts and purchase payments (reflecting the invoices in the day books). You check and reconcile all bank accounts monthly, and keep the reconciliation for us (at least the one for the year end). You check and reconcile the Sales and Purchase ledgers, and produce and keep agreed aged lists. You reconcile Petty Cash, and your VAT control accounts. You also keep reports on spreadsheets, reflecting the transactions in your day books and cash book. The spreadsheet will show your income and expenditure for the year in detail. You will enter gross wages and NI to the profit & loss account, and prepare a reconciliation of net Wages and PAYE/NIC liabilities. All your Fixed Assets are properly recorded. If you have Loans and HP agreements, they have been correctly accounted for in the spreadsheets. Any inter-company transactions are reconciled. Provisions are made (e.g. depreciation, bad debts). Accruals and prepayments are entered.