

Technology Questions from High School Educators

High school teachers have requested this topic from the WICPA over and over again. They are always looking for real-world information to supplement their curriculum.


1. What software do accountants use on a daily basis?

The answer to this question depends on the accounting career path that the student chooses.

Public Accounting

1. Email software (MS Outlook)
2. Spreadsheet software (MS Excel is by far the most widely used by accountants)
3. Client write up / audit management software (e.g. ProSystem) used for General ledger, after-the-fact Payroll, Bank Reconciliation, Financial and Payroll Reporting, Amortization, Computer Checkbook, Accounts Receivable, Accounts Payable, Payroll Check Writing, Direct Deposit, Job Costing, Document Storage, and more. Tracks adjustments and creates financial statements using Excel.
4. Tax software (e.g. GoSystem Tax) with built-in electronic filing (e-filing) capabilities.
5. Fixed asset software (e.g. FAS) with advanced depreciation calculations
6. Accounting software (e.g. Quickbooks, Peachtree, etc.) used by clients to keep their books
7. MS Word, Microsoft's letter and document creation software which is used to correspond with clients on accounting and tax issues
8. Document Imaging software (e.g. GoFileRoom) to store client source documents, working papers and reports electronically. Also provides a portal for clients to access reports and transfer their information to the accountants.
9. Amortization Software (e.g. T Value) used to create amortization schedules
10. Tax research software (e.g. CheckPoint) used to find tax rulings and research options

Private Industry

1. Email software (MS Outlook)
 2. Spreadsheet software (MS Excel is by far the most widely used by accountants)
 3. Accounting software (e.g. Quickbooks, Dynamics, SAP, etc.) but the product used depends upon the size of the company and industry needs
 4. Fixed asset software (e.g. FAS) with advanced depreciation calculations (although this may be available as a module within the accounting software)
 5. Report Writer software (e.g. FRx) used to create and delivery financial statements
 6. Business Intelligence software (e.g. Cognos, PerformancePoint, etc.) used to report operating results against targets
 7. Collaboration software (e.g. SharePoint) used to develop an intranet (internal web portal) to store and share documents, reports and other data
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8. Electronic filing software used to file reports with the SEC, IRS, etc.
9. MS Word, Microsoft's letter and document creation software which is used to correspond with management and outside parties on accounting related issues

2. What software do their clients use?

If the student works in Public Accounting, their clients are businesses and individuals. The answer to "Private Industry" in question #1 provides this list for businesses.

3. What are the differences between them?

I would interpret this question to ask about the differences in accounting software packages that businesses use. In business software, there are 3 "tiers" of software packages:

Tier One – Business software targeted towards large corporations and organizations. The cost of these implementations typically can run in the millions of dollars. These packages contain the standard functionality required by any business but are also highly customized to meet specific needs. Examples of these applications are SAP, Oracle Financials, and Peoplesoft.

Tier Two - Business software targeted towards medium-sized companies and organizations. The cost of these implementations ranges from \$10,000 - \$1,000,000. These packages contain the standard functionality required by any business but are also customizable to meet specific needs. Examples of these applications are Dynamics, Epicor, and NetSuite.

Tier Three - Business software targeted towards small companies and organizations. The cost of these implementations is typically less than \$5,000 and many companies self-implement due to the simplicity of the setup routines provided. These packages contain the basic functionality required by most businesses but they lack advanced features and industry-specific functionality contained in tier two applications. They also have limited customization capabilities and internal controls. Examples of these applications are Quickbooks and Peachtree.

4. What software applications do colleges and employers look for? Excel, Peachtree, Quickbooks or is the automated program that comes with the text book fine? Is one more necessary at the college or real world level?

In my interviews with recent graduates, they all felt that exposure to Excel, even in high school, was important. They also felt that they would have benefited by learning basic accounting software.

Selecting a package to use is a matter of personal preference as they all have the same basic functionality. While Intuit's Quickbooks is the most popular accounting software package for small businesses, it has also been simplified to the point that you don't have to understand accounting to use it. However, students who work in an office after high school or go to college



and then work in a small to medium sized CPA firm will likely have to work with Quickbooks. To learn more about Intuit's education program, visit:

http://accountant.intuit.com/training_cpe/intuit_education_program/qb_educator_resources.aspx

Peachtree, on the other hand, still resembles an accounting software package. Learning how to use its functionality may help the student better relate their knowledge to accounting software they will encounter in the business world as it has not been over simplified. To learn more about Peachtree's education program, visit:

<http://www.peachtree.com/supportTraining/getTraining/educationProgram/>

5. Are other forms of technology needed? Should students know how to create blogs, wiki's, Facebook applications, iPads, smart phones?

Based upon the feedback I received from the graduates I interviewed, I don't think that accounting educators need to worry about teaching students about these technologies. The students believe that the educators are in need of more knowledge on general computer applications.

6. What should students know?

High School

If at all possible, students should be introduced to MS Excel in high school. Some of the homework assigned to them could be completed by creating journal entries or T accounts in a spreadsheet. The Excel knowledge gained will help prepare them for college or career where Excel is used on a daily basis.

Additionally, high school students may benefit from learning basic accounting software like Quickbooks or Peachtree. Whether they work in an office or proceed to college, understanding how business transactions are entered, what journal entries are created in the general ledger, and how it translates to a financial report, will be beneficial knowledge.

College

In college, students should use Excel for homework. At this point, a better understanding of the advanced Excel functions should be achieved to better prepare them for the analysis and reports they will have to complete in the future.

Most colleges offer an Accounting Information Systems course. This should be a required course and it should again educate the students on the use of accounting software. They should have a better understanding of how the software generates accounting entries and maintains the books for the business.



All business colleges should offer a course that introduces their students to office software such as Excel, Word and PowerPoint. Additionally, with the increasing popularity of SharePoint, an introduction that includes setting up a simple intranet web portal would be of interest.

If at all possible, tax courses should offer some exposure to how tax software works. Very few accountants complete tax returns on paper anymore so this experience would help them understand how tax work is completed in the “real world.” In addition, if students could also conduct research using tax research software, they would have an understanding of how accountants find answers.

In auditing courses, it would be ideal if students had exposure to audit management or client write up software. These are the tools used to by auditors to create and store workpapers, reconcile and audit a client’s books and create adjusted financial statements.

Business writing continues to be critical for accountants. All too often, accountants are required to write letters, memos, reports, notes to financial statements, etc. and yet they struggle with how to write in business language. Incorporating writing exercises into accounting coursework, such as writing a letter to a client explaining audit issues or informing a client of tax law changes, would help prepare students for communications in the business world.

7. What are the trends in technology for accountants?

Business Intelligence – Delivering financial reports on paper is becoming a practice of the past. Today’s business professionals are asking for better information in an easy to read format that they can review on a self-service basis. Dashboards with scorecards, graphs and charts delivered via the web are becoming more popular. Accountants are using Business Intelligence tools to report financial results and analyze data. They may also deliver financial reports electronically on the web so that users access information when they need it.

Software in the “Cloud” – Traditionally, if you need a software package, you purchase it and install it on your server or computer. The current movement to the “cloud” (or internet), simply means that accountants may rent the software they need on the internet.

Electronic documents – Even accountants are going “green.” While paper is still used in the business world, more and more businesses and public accounting firms are storing their documents electronically in document management software. Under this approach, electronic documents can be filed using an indexing system thus allowing documents to be found through powerful search capabilities. In public accounting, web portals are used to provide client access to their source documents, tax returns and reports filed electronically within the document management software.

