

- How simple is it to make correcting entries?
- Does it generate profit and loss statements and balance sheets using either actual value, market value, or depreciated value bases?
- Does it integrate with enterprise, accounts payable, accounts receivable, and payroll modules?
- Does it generate a sources and uses of funds statement?

Enterprising checklist

Some accounting systems (single-entry as well as double-entry) are able to track the expenses and sales associated with producing a commodity by using enterprise accounting. To evaluate the software package's enterprise accounting capabilities, consider:

- Does it record expenses, income, and physical quantities for each enterprise, providing costs and returns reports for units specified by the user?
- Does it allow enterprises to remain active even if the books for the fiscal year have been closed?
- What is the maximum number of enterprises allowed?
- Does it provide for noncash sales between enterprises without affecting GL account balances?
- Can it generate consolidated costs and returns summaries for all enterprises and for each farm location?
- Can enterprise entries be made through the general ledger, accounts payable, accounts receivable, and payroll modules?
- Can budget versus actual reports be generated from budgets previously established for each enterprise?
- Can the system automatically allocate overhead to each enterprise using allocation rules specified by the user?

If the manager intends to select software that supports full enterprise accounting, a number of potential packages will likely be eliminated. It is not wise to give further consideration to general ledger software that provides limited capability for enterprise, cost, or departmentalization accounting.

Accounts payable and payroll checklists

Besides the general ledger and enterprise modules, many farms can benefit from accounts payable, payroll, and depreciation modules. Typically, the public accountant maintains the depreciation schedule. To evaluate the software package's accounts payable capabilities, consider:

- Will it run both cash- and accrual-based accounting?
- Does it list invoices by date due and indicate the amount of cash necessary to pay invoices?
- Does it post invoices to the GL as a batch or one at a time?
- Does it print checks and IRS 1099 reports?
- Does it provide for entering transactions resulting from daily cash-flow handwritten checks?
- Does it provide reports on vendor histories?

To evaluate the software package's payroll capabilities, consider:

- Can it calculate payroll using either hourly wages or piece rate—whichever is greater?
- Does it automatically calculate all appropriate federal, state, and local payroll taxes?
- If it has an accrual, double-entry system, are accrued taxes payable automatically posted to the GL?
- Will it handle employee advances and housing deposits?
- Does it print payroll checks and IRS W-2 forms?
- Does it automatically update the GL and enterprise modules?
- Does it provide employment history reports by specified date ranges?