Angela Levick
Accounting Major
123 I St SE
Auburn, WA 98002
206.240.7369

Date: February 21, 2016

To: Tony Stark, CPA

               Stark & Associates

From: Angela Levick, Accounting Major at Washington State University

Subject: Proposal for Software Research

Purpose

The purpose of this proposal is to request authorization to evaluate software programs for use in a small Certified Public Accounting (CPA) firm, comparing features and product pricing options, in order to determine the program that offers the best value.

Summary

I have developed a plan to study what programs are available to CPA firms. Stark & Associates is a growing firm, and in need of software that will meet the demands of this growth. This will include examining what features the software programs offer, what platforms are available, and what options are available in pricing structure. This information will allow me to evaluate the software programs, determine the applications that are the most beneficial, and present a recommendation for the program that delivers the best value with my findings.

Many kinds of accounting software are available for small businesses, but they are not designed for the specific needs of a CPA firm like Stark & Associates. Most accounting software applications are designed for tracking the needs of one business. However, a CPA is responsible for multiple companies, and needs to keep information separate and secure for each client, and maintain compliance with federal, state, and local regulations and statues. A CPA firm will also need to track their own billing, payroll, and tax information.

I propose to research software systems designed to be used by CPA firms and present my findings to you in the form of a recommendation report. To accomplish this, I have listed tasks that will require primary and secondary research. I will meet with local accountants to discuss current software use, features that are liked and disliked, and current software issues. I will also study publications and reviews of software and system requirements.

To perform this research and present a recommendation report, I estimate that I will need 21 hours over the next week, at a cost of $525.00. I have been working in the accounting industry for 10 years,

and am currently pursuing a Bachelor's Degree in Accounting. I also have knowledge of computer systems and am comfortable navigating and evaluating a variety of programs.

If this proposal is authorized, I will begin my research immediately and will submit my Recommendation Report to you, Mr. Stark, on March 6th, 2016.

Introduction

Computers and technology have become an integral part of business. Instead of shoe boxes full of purchase receipts and hand written customer invoices, small businesses now keep their records in accounting software programs that help manage their cash flow, produce customer invoices, track supply purchases, and print checks. Advances in how small businesses are handling their in-house accounting has also changed the way small CPA Accounting firms do business.

With this in mind, a small CPA accounting firm needs not to only use available technology, but to leverage that technology in order to strategically improve their business. The right software system can be critical to the performance of a firm: it must be user-friendly, scalable, improve work-flow, and increase the productivity of the users.

Many kinds of accounting software are available for small businesses, but they are not designed for the specific needs of a CPA firm. Most accounting software applications are designed for tracking the needs of one business. However, a CPA is responsible for multiple companies, and needs to keep information separate and secure for each client, and maintain compliance with federal, state, and local regulations and statues. A CPA firm will also need to track their own billing, payroll, and tax information.

The proposed research is designed to evaluate software systems that will help a small CPA firm increase the services provided to their clients while improving the practices' profits. In order to decide what software will provide the best value, I plan to determine what features are most needed for use in a small practice, what knowledge is essential to use the software beneficially, and what hardware and system requirements are needed for successful implementation.

In the following sections I have provided information on the proposed steps to determine what programs are available, what features are necessary, what features are preferred, what additional system requirements there might be, and if users will be able to get the full benefit of the technology. I have also included a partial list of resources I plan to use while conducting the research, as well as a timeline to completion, budget, and references.

Annotated Bibliography

K2 Enterprises. (n.d.). *Accounting Software Independent Reviews*. Retrieved from CPA Firm Software: http://www.cpafirmsoftware.com/software-reviews

- This site offers information and independent reviews on software Practitioners, Management Products, and Speciality software.

O'Loughin, E. (n.d.). *Compare CPA Accoutning Software.* Retrieved from: http://www.softwareadvice.com/accounting/cpa-software-comparison/

- This article covers what features to look for in software, how to evaluate software programs designed for CPA use, and lists 57 products with ratings, recommendations, and customer likes and dislikes, as well as operating system and hardware requirements.

O'Bannon, Isaac, Managing Editor. *2016 Readers Choice Awards.* Retrieved from: http://www.cpapracticeadvisor.com/article/12165783/2016-readers-choice-awards

- This article lists several types of technologies used by CPA firms, voted on by readers as what programs they prefer. The rankings on In-Firm Technologies will help determine what programs are used by CPA professionals, as well as features that are preferred.

Proposed Tasks

I would like to perform the following tasks to determine what software application offers the best value for a small CPA firm.

Task 1: Determine what software programs designed for use by CPAs are available.

Hundreds of accounting software programs are available. However, only a handful provide the functions needed for a CPA firm. Eileen O'Loughlin (O'Loughin), a Market Research Associate, lists some specific features needed in CPA accounting software:

- **Multi-Company Accounting** – data for each client needs to be categorized and kept separately and securely.
- **Tax Preparation** – automated tax calculations, electronic filing, and easy to update when tax codes change.
- **Time and Billing** – the ability to track and then bill clients for hours spent on their account.
- **Regulations Compliance** – federal, state, and local regulations and statue compliance and the ability to update when changes occur.
- **Financial Reports** – Standard executive reports, charts, summary statements, and customized reports

This task will require reading industry-specific publications and internet research to determine which software will fit the needed criteria for CPA firms.

Task 2: Determine the features offered by CPA software programs.

In addition to the industry-specific features listed above, there are other options to consider:

- **Platform** – What operating system does the software work on? Is it compatible with Windows, Mac, or Linux?
- **Business size –** How large is the CPA firm? One person, or dozens?
- **Deployment –** Is the program cloud based or on site?
- **Price –** Is the program purchase a one-time fee or a subscription?
- **Scalability –** Will the software be able to keep up as your business grows?

In order to determine the features offered, I will examine the manufacturer's specifications and suggested usage.

Task 3: Determine the hardware needed to successfully implement a software program.

Besides operating system requirement, there may also be hardware requirements:

- Random Access Memory (RAM)
- Secondary Storage – hard disc requirements
- Display, keyboard, and mouse
- Network devices
- Additional Peripheral Requirements – CD-ROM drive, Bluetooth capability, printers, scanners, adapters

To determine the hardware and peripheral requirements needed to run the programs I am researching, I will examine the manufacturer's specifications and record system requirements for comparison across programs.

Task 4: Determine the features needed and wanted by small CPA firms.

I would like to meet with local Accountants who have small firms are discuss the current software they are using, the applications and features they find useful, the issues they have with the current software, and what features they would like to see available in a software program. I addition I will read product reviews by consumers and the manufacturer's product description.

Task 5: Determine the level of technological proficiency needed to use the programs effectively.

A software program will only be advantageous if the user is able to navigate and use it successfully. A complex program would not be practical if the person(s) using it are unable to fully utilize the features of the system. Determining how user-friendly the proposed programs are will be important to the final recommendation.

The majority of software programs have free demos and vides of how to use to systems, as well as user manuals. There are also online reviews of the programs by users that I believe will be helpful in determining how user-friendly a program will be. I propose to examine the materials offered by the companies and user-generated reviews to help determine how intuitive a program is for a new user.

Task 6: Evaluate software program features and compare across platforms.

The primary features listed in Task 1 (Multi-Company Accounting, Tax Preparation, Time and Billing, Regulation Compliance, and Financial Reports) will determine the base selection of programs to be evaluated. Once those are established, those features can be compared across programs to determine what will be the most beneficial for use by a small firm. The criterion listed in Tasks 2 and 3 (platform, business size, deployment, price, and scalability) will be the next determining factors in choosing a program. Should a program only be accessible on one operating system, or have non-standard hardware or system requirements, the price comparison will have to include the costs of the necessary system upgrades and changes.

The final program recommendation will be based on the best price value for a small CPA Accounting firm.

Task 7: Prepare a recommendation report.

I will submit a Recommendation Memo through the Peer Review Workshop by end of day, February 28th, 2016. This will allow other students to review my recommendation and suggest corrections. After integrating proposed revisions, I will submit my Final Recommendation Memo in the Assignments folder March 6th, 2016, by end of day.

Schedule

Figure 1 is a schedule of the tasks to be complete for this project.

Tasks	Dates of Tasks (by Days)						
Task 1 -Determine software available	▓						
Task 2 - Determine features offered		▓	▓	▓			
Task 3- Determine hardware needed		▓	▓	▓			
Task 4- Determine features needed/wanted					▓		
Task 5- Determine effective useability					▓		
Task 6- Evaluate across platforms						▓	
Task 7- Prepare report							▓
	22	23	24	25	26	27	28
				February			

Figure 1. Schedule of Project Tasks

Budget

Following is an itemized budget for the proposed research.

Name	Hours	Hourly Rate ($)	Cost ($)
Angela Levick	21	25.00	525
Total			$ 525.00

Experience

I have worked in the accounting field for 10 years and I am currently pursuing a bachelor's degree in accounting. I am familiar with what transactions need to be processed through software. I am also comfortable with computers and understand system hardware requirements and common computer and software terms.

References

American Institute of CPAs. (n.d.). *Journal of Accountancy*. Retrieved from
    http://www.journalofaccountancy.com/search.html?q=software&sortby=RECENCY&language=e
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