

BUSINESS TECHNOLOGY QUARTERLY

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Brought to you by *The Technology Group, LLC at Whittlesey & Hadley, P.C.* (860) 524-4400 technology@whcpa.com

New MIP Reseller in Connecticut

- Straightforward
 - Easy to use and customize
 - Reasonably priced
- Designed specifically to meet the unique reporting needs of not-for-profits**

What more can you ask for in accounting software? Not much. And that's why The Technology Group, LLC has been named the first Connecticut-based Authorized Reseller and Authorized Service Provider for **MIP Non Profit Series accounting software.**

We'd like to introduce you to this exciting software in one of two ways:

➤ Join us at our next seminar. Call (860) 524-4426 for dates.

➤ **Call us at (860) 524-4400 for a no-cost, no-obligation software demonstration** in your office.

➤ Request an information kit including a software demo CD.

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The Technology Group prides itself on taking a "big picture" view of your technology and business needs.

And that's why we're particularly excited to sell and service MIP. Since its inception in 1982 in Austin, Texas, MIP has become the leading provider of fund-accounting software and services to not-for-profit organizations and governmental agencies. †

Microsoft Licensing Changes – the facts made simple

By: Mark R. Torello

As of July 31, 2002, Microsoft will implement their new Volume Licensing program that **eliminates the availability of discounted "upgrade" software.** If you purchased their Upgrade Advantage by July 31, 2002 you **will have saved money because you will get all the new Microsoft products within the next two years free.** This includes Microsoft Office, Server, and operating system products. Unfortunately, the window of time to act was small.

Software Assurance

The *Software Assurance option* is similar to an insurance policy that hedges the cost of new versions assuming the user will wish to purchase those versions within two years. It is available for purchase with a license for a new "full version" of Microsoft's software. This will provide protection for 2 full years for upgrading to the most current version.

Please see *Microsoft's New Licensing Scheme* continued on Page 3 for an example.

(Continued to Page 3)

Intuit has been busy !

By: Mark R. Torello

Will Intuit breath new life into American Fundware ?

We will look for vast improvements in the flailing American Fundware accounting system for not-for-profits now that Intuit is at the helm. Intuit acquired The Flagship Group, (holding company of American Fundware, Inc.) on June 3, 2002. Look forward to a review of Intuit's progress with this

(Continued on Page 2)

INSIDE

Why a True Not-For-Profit System is better	pg. 2
An MIP Accounting System Success Story	pg. 3
Technology Group, LLC News / HIPAA News	pg. 4
Intuit Has Been Busy	pg. 4

NOT-FOR-PROFITS WHY A TRUE NOT- FOR-PROFIT AC- COUNTING SYSTEM IS BETTER AND MORE AFFORDABLE THAN YOU THINK!

By Deborah Swanson and Jennifer Boggs

The main reason for implementing any accounting system is the need to generate meaningful reports required to manage an organization. For not-for-profit organizations, these management reports are required at many different levels. Another reason is to expedite information processing and reporting. Timely and accurate information is key to effective management.

Many small not-for-profit organizations have implemented inexpensive, easy to use and learn systems such as QuickBooks or Peachtree accounting as a result of unavailable funds for a **true** not-for-profit specific accounting package. Unfortunately, these "low-end" systems are not designed to capture data in a format required to meet many of the reporting requirements of most not-for-profit organizations and their funding sources. This has made reporting a tedious and very time-consuming task. Please read on for examples of how one such system, Peachtree, falls short compared to a leading not-for-profit specific system such as Micro Information Product's (MIP), Non Profit Series software.

With Peachtree, it is possible to set up a chart of accounts that will accommodate some of the required reporting levels such as fund, department, grant, project, location, and/or net asset classification. However, not all the levels can be tracked effectively. The setup and maintenance of the chart of accounts is very tedious because the core G/L accounts must be duplicated for every code within each level that

must be tracked. This results in a very lengthy, unmanageable chart of accounts.

MIP allows for a multi-dimensional chart of accounts because it is table driven. This means that a list, or table, is established for each level, or segment of the account code. Accounts are added simply by creating another entry in the appropriate table. The end result is a manageable chart of accounts with decreased setup and maintenance time. This also facilitates reporting on any required level.

Peachtree is limited to its "canned" reports, which are not always appropriate for the not-for-profit industry. It is difficult to manage the account code filtering needed to produce reports that will capture the required data for the various segments. Many of these required reports must be produced manually or with the aid of third-party software, thus allowing room for error.

MIP has a powerful, integrated report writer, which permits the combining of any or all account code segments to generate the needed report. **FASB 117 compliant financial reports** are a snap with MIP. They are impossible with a system not designed to produce them.

The lack of reports and the limitations of the chart of account structure present more drawbacks of using a lesser system like Peachtree for not-for-profit accounting. It does not allow for detailed budget and comparison reporting. Further limiting budget and grant reporting, is the inability to have more than one fiscal year open simultaneously. Many grantors require reports based on their own fiscal year, which is frequently different from the organization's. Peachtree requires each fiscal year to be closed, and does not allow for the data to be accessed after closing. **MIP does not require the close of a fiscal year.** However, even if a fiscal year is closed, information is still accessible and it is also available for detailed reporting across fiscal years.

Not-for-profit agencies have specific reporting requirements from many different funding sources. Timely and precise reporting of information is an important factor in retaining funding. Utilizing an appropriate management information system facilitates these needs.

MIP has been **designed specifically to meet the needs of not-for-profit** organizations. MIP offers several product levels designed to fit with different sized organizations. They also offer the Intro version that starts at \$1,295 for general ledger (\$3,080 for all the basic modules; general ledger, accounts payable, bank reconciliation, & budget). The flexibility, time saving features and cost effectiveness of MIP make for an extremely attractive software package worthy of the extra cost.

Intuit Has Been Busy

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system in coming issues of *Business Technology Quarterly*.

Targeting the Construction Industry

Intuit also, as recently at November 2001 acquired Omware, Inc., a provider of business management solutions for construction companies.

New Point of Sale Released !

Intuit's latest milestone achievement is putting a Point of Sale version of QuickBooks on the shelves. Previously, there were a few separate third party point of sales solutions with varying endorsements. QuickBooks Point of Sale can be purchased in a software only version for \$799.95 or as a complete solution including hardware components (bar code scanner, magnetic stripe reader, cash drawer and receipt printer) for \$1,495.95. |



A Client's MIP Success Story:

MIP = Micro Information Products
Accounting software for Not-for-Profits

Who:
Southend Community Services,
Hartford, CT

A not-for-profit United Way member agency founded in 1984 dedicated to "bettering the quality of life for our community by helping others help themselves."

Professional Services Provided:
Accounting software needs analysis, MIP Accounting system implementation, Accounting process consulting

Objective:
Manage five integrated business segments and four users at SCS

SCS Contact:
Lisa Mottola, Operations Director

When:
Installation, May, 2001
Conversion, July 1, 2001

Where:
Southend Community Services, 427
Franklin Avenue, Hartford, CT

Why a New System was Needed:
Former software could not consolidate accounting functions of separate programs, provide customized reports for Board of Directors, perform bank reconciliations, or expand from a two-segment accounting structure.

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Why MIP "fit the bill":
MIP's software allows for SCS to track its many business segments, projects and grants by supporting a multi-segmented account code structure, custom designed to meet SCS's requirements. It also allows for SCS to manage its 3 separate companies without additional cost.

MIP also met their requirement for being straightforward and easy to use. MIP easily allows for the creation of custom reports.

Investment:
Approximately \$13,000 in software with no hardware investment required.

The Process:
After installation, old and new software programs ran simultaneously for one month only. Full conversion was completed by July 1, 2001, the start of their new fiscal year. A customized chart of accounts was created by lead consultant Deborah Swanson. Deborah also provided staff training.

Reaction from Lisa Mottola:
"It was the **easiest installation and conversion I've ever been**

**Thanks Lisa, we
like MIP too !**

through. MIP is simple, flexible, and easy to use. My staff members have not found anything they have not liked about it." |

Microsoft's New Licensing Scheme

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Example:

After July 31, 2002, the only way to obtain the latest version of any Microsoft software product will be to purchase a full license(s) for that software (Microsoft Office XP – Standard \$450 per box or \$365 per license in volume). In addition to the license(s), you can also purchase the Software Assurance to cover future releases (\$205 for Office).

Unfortunately, we are all at the best of Microsoft since we rely on their software. This is **undoubtedly going to increase their cash flow now and decrease yours**. It does appear that spending your dollars now for the upgrade Advantage **will save you significant amounts within** the next two years, **IF YOU PLAN TO UPGRADE WITHIN THE NEXT TWO YEARS.**

Even considering the time value of money, **cost justification still exists for those with 5 or more licenses of Office or a Microsoft Server product.** This is why The Technology Group, LLC recommends that you purchase this "insurance policy" **only if you plan on upgrading within two years.**

Please contact The Technology Group, LLC if you would like further clarification or assistance. |

Microsoft®
CERTIFIED
Partner

Technology Group, LLC News:

Great Accomplishments

Richard Pusey has passed Microsoft's Windows 2000 Server examination. This gives Richie the accreditation of MCP (Microsoft Certified Professional) for 2000 Server.

Brian Dunlap has passed Microsoft's Windows 2000 Professional examination. This gives Brian the accreditation of MCP (Microsoft Certified Professional) for 2000 Professional.

HIPPA Guidance for Health Care Organizations

The Technology Group, LLC has joined forces via a strategic alliance with the law firm, **Cummings & Lockwood, LLC** for the purpose of providing a full compliment of **HIPAA compliance consulting services** related to :

- Privacy Standards
- Forms, Policies, Procedures
- IT Security Standards
- Electronic Transactions

This partnership provides our health care clients with guidance and a compliance roadmap.

Remember, if you collect PHI (Private Health Information) you will probably need to comply with HIPAA requirements.

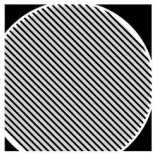
HIPAA Compliance deadlines to remember:

October 15, 2002—Electronic Transactions (can extend for 1 year by this date)

October 15, 2003—Electronic Transactions with extension

April 14, 2003—Compliance with Privacy Rule. *Small health plans have until April 14, 2004 to comply with the Rule.*

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