



Level II Foundation Award in Accounting Software

Who should choose to study this qualification?

The AAT Foundation Award in Accounting Software provides an entry point for anyone wishing to start a career in accountancy or finance. It may also support career progression for those already in employment by formally recognising their skills in using accounting software.

In the modern business environment, processing data and information into accounting software is a necessary task in most finance roles. The purpose of the AAT Foundation Award in Accounting Software is to provide students with the knowledge and skills needed to carry out typical bookkeeping transactions and tasks using accounting software confidently.

This qualification is suitable for those already working in finance, those returning to work after a break or those wishing to change career. The qualification is open to those who are working and those who are not currently in employment. It also offers progression for students who have already started studying accounting software with AAT.

Prerequisites

There are no prerequisites for the AAT Foundation Award in Accounting Software but we do recommend that students begin their studies with a good understanding of the English language.

Why choose this qualification?

Students who wish to build their practical skills quickly should choose the AAT Foundation Award in Accounting Software. This qualification allows students to develop specialised skills or to gain recognition for the skills that they already have.

Studying this qualification will give students confidence in using accounting software. This may support them in entering employment or in improving their career prospects. The qualification may help students to enter a financial administration role, help them to gain a promotion or give them the skills to support the financial processes within their own business.

This qualification would be an ideal next step for students with experience in manual bookkeeping or for those who have already studied the use of accounting software before progressing on to other AAT bookkeeping or accountancy qualifications.

What does the qualification cover?

The purpose of the AAT Foundation Award in Accounting Software is to ensure that students have the data processing and accounting software skills necessary for most finance roles. Students will gain the knowledge and skills needed to carry out typical bookkeeping transactions and tasks using accounting software in one mandatory unit.

The qualification is composed of a single mandatory unit, assessed in a single end-of-unit assessment:

- Using Accounting Software

A student completing this qualification will develop practical accountancy skills in entering accounting transactions into accounting software and performing bank reconciliations. Students will understand the main features of accounting software and be able to enter information correctly. They will set up general ledger accounts for new and existing businesses and process typical bookkeeping entries. These will include processing sales and purchase documentation, recording bank and cash entries, and carrying out bank reconciliations. Students will also learn how to produce reports using the software and understand the purpose of these reports.

It is good practice for students to work with employers while studying. This could include work experience or placements, working on projects or exercises set or supervised by those working in the industry, or by attending masterclasses or guest lectures by people working in accounting.

Employers also contribute to the development of AAT qualifications. A student who passes an AAT assessment is passing a test of real workplace skills, set in a real workplace context and reviewed by practitioners and industry experts.

What could this qualification lead to?

The skills developed by studying this qualification will enable a student to seek employment with confidence and/or to progress to the next level of learning.

A student completing this qualification will be able to use an accounting software package to perform accounting transactions.

They will understand how to process financial information in accordance with set procedures and schedules and how to provide information to colleagues, suppliers and/or customers as required. The AAT Foundation Award in Accounting Software can lead to further study in bookkeeping or accountancy or to employment as:

- a clerical assistant
- a trainee bookkeeper
- an accounts clerk
- a finance assistant
- an accounts administrator

How can this qualification lead to other AAT qualifications?

At Foundation level, AAT offers a Short Qualification in manual bookkeeping, the *“AAT Foundation Certificate in Bookkeeping”*

Students completing the AAT Foundation Award in Accounting Software may wish to complete the Foundation Certificate in Bookkeeping alongside it as a complementary qualification. This will give them an understanding of both manual bookkeeping and the practical use of accounting software. This can then lead on to the Level 3 Advanced Certificate in Bookkeeping.

Using Accounting Software

Introduction

This unit provides students with the knowledge and skills needed to carry out typical bookkeeping transactions and tasks using accounting software. In the modern business environment, processing data and information into accounting software is a necessary task in most finance roles. This unit teaches students the practical steps for processing accounting information electronically and will allow students to reinforce their understanding of the sequence in which bookkeeping tasks are carried out.

On completion of this unit, students will have the practical ability to enter accounting transactions into accounting software and to perform bank reconciliations accurately. Students will be able to enter information into accounting software and understand the main features of accounting software. They will learn how to set up general ledger accounts for new and existing businesses and process the typical bookkeeping entries expected of students at this level, including the processing of sales and purchase documentation, recording bank and cash entries and carrying out bank reconciliations accurately. Students will also learn how to produce reports using the software and understand the purpose of these reports.

Students must have access to a suitable specialised accounting software package as part of their study for this unit and for the assessment. Spreadsheet software alone will not allow full unit content coverage, so cannot be used for the study or assessment of this unit.

The program selected by learning providers must be capable of producing reports in at least one of the following formats at various stages of the process: XLS, XLSX, CSV, DOC, DOCX, PDF, BMP, GIF, JPEG, PNG.

Screenshots may also be submitted using one of these formats. Assessment evidence submitted in alternative file formats will not be marked.

This unit refers to value added tax or VAT. This is an indirect tax operating in the UK but this type of tax may also operate and be known by another name in other countries.

Using Accounting Software is a mandatory unit in this qualification.

Learning outcomes

1. **Set up accounting software**
2. **Process sales and purchases transactions**
3. **Process bank and cash transactions**
4. **Perform period end routine tasks**
5. **Produce reports**

Scope of content

This section illustrates the depth and breadth of content to be delivered for this unit. All areas indicated in the table below must be covered in teaching.

In any one assessment, students may not be assessed on all content, or on the full depth or breadth of a piece of content. The content assessed may change over time to ensure validity of assessment, but all assessment criteria will be tested over time.

1. Set up accounting software

1.1 Enter information relating to the organisation at the beginning of an accounting period

Students need to be able to:

- set up and amend general ledger accounts
- enter the relevant opening balance information

1.2 Set up customer accounts

Students need to be able to:

- create customer accounts
- enter the relevant opening balance information

1.3 Set up supplier accounts

Students need to be able to:

- create supplier accounts
- enter the relevant opening balance information

2. Process sales and purchases transactions

2.1 Process sales invoices and credit notes

Students need to be able to:

- process sales invoices from source documents ensuring that value added tax (VAT) where applicable is posted to the correct account
- process credit notes from source documents ensuring that VAT where applicable is posted to the correct account

2.2 Allocate receipts from customers

Students need to be able to:

- process receipts from customers and allocate amounts correctly: in full payment, in part payment, against the opening balance, invoices and credit notes

2.3 Process purchase invoices and credit notes

Students need to be able to:

- process purchase invoices from source documents ensuring that VAT where applicable is posted to the correct account
- process credit notes from source documents ensuring that VAT where applicable is posted to the correct account

2.4 Allocate payments to suppliers

Students need to be able to:

- process payments to suppliers and allocate amounts correctly: in full payment, in part payment, against the opening balance, invoices and credit notes

3. Process bank and cash transactions

3.1 Process receipts and payments for non-credit transactions

Students need to be able to:

- process bank and cash receipts ensuring that VAT where applicable is posted to the correct account
- process bank and cash payments ensuring that VAT where applicable is posted to the correct account

3.2 Process recurring receipts and payments

Students need to be able to:

- set up and process a recurring bank receipt
- set up and process a recurring bank payment

3.3 Process petty cash receipts and payments

Students need to know:

- how to top up petty cash

Students need to be able to:

- process petty cash payments ensuring that VAT where applicable is posted to the correct account
- process petty cash receipts ensuring that VAT where applicable is posted to the correct account

4. Perform period end routine tasks

4.1 Process journals

Students need to be able to:

- process journals: correction of errors and irrecoverable debts

4.2 Reconcile the bank statement

Students need to know:

- how to agree the payments and receipts for the period from the bank statement to the bank entries made on accounting software

Students need to be able to:

- process unrecorded payments and receipts
- reconcile the bank balance at the end of an accounting period

5. Produce reports

5.1 Produce routine reports for customers and suppliers

Students need to know:

- how to identify the customer or supplier report required

Students need to be able to:

- produce reports that meet business requirements

5.2 Produce routine reports from the general ledger

Students need to be able to:

- produce a trial balance and audit trail
- identify additional general ledger reports required
- produce reports that meet business requirements

This information has been sourced and adapted from: <https://www.aat.org.uk/find-a-course/aat-bookkeeping-and-computerised-accounting-courses/foundation-award-in-accounting-software>