

# Online bookkeeping

## *Your email is online and so is your banking – is it also time for your company books to be online?*

Unsurprisingly, small business owners have many common frustrations when it comes to maintaining the company books and tax compliance:

- › **It takes too much time**
- › **It is an expensive process with little value**
- › **You receive very little financial reporting or insight**
- › **There is poor collaboration between bookkeepers and accountants**

With the right platform to run your business books, you now have the technology to minimise these frustrations allowing you to focus on achieving your business goals and lowering total compliance costs.

### *Before...*

In the 80s and 90s most small business owners used paper cash books to manage their company accounts. Following the introduction of the GST many realised cash books were not an efficient enough solution to manage the new GST compliance requirements so

they jumped on board with PC desktop based accounting software like MYOB and QuickBooks.

These systems were a vast improvement from manual paper cash books and were innovative at the time, however they were, as we now know, far from perfect.

### *Now...*

With improvements in technology and internet access, internet (cloud) based software has emerged and become a real growth industry because of its advantages.

As a result, over the last few years the accounting software industry has been shaken up by a number of new innovative cloud accounting entrants that are seriously challenging the survival of desktop accounting software.

### *But what is 'cloud accounting'?*

Cloud accounting is simply an internet browser based accounting system where you log in to do your company accounts just as you do with your internet banking.

However, the real innovations come from the improvements to how the software works:

## Cloud based accounting platforms can really streamline bookkeeping and tax compliance.

- › Anytime and anywhere access
- › Multi user access from anywhere
- › Automated bank data feeds from your bank and credit accounts
- › Rules that automate the coding of data
- › Automatic upgrades and a monthly subscription cost

### *How will it benefit your business?*

Some of the benefits of using an online cloud accounting system include:

- › Significant time and cost savings on data entry because of automation of bank transaction data and predefined rules
- › Your accountant and bookkeeper can work with you from their office on one set of data
- › You can instantly send invoices, pay employees and reconcile bank accounts using any device, anywhere in the world, at any time
- › Accurate and timely ongoing financial information allowing you to make informed decisions
- › Add-on applications are available that work much like smartphone apps – great apps exist for point of sale, inventory management etc
- › Automatic super – super can be paid from within the software to employee funds
- › Employee TFN declaration reporting – lodged with the ATO from within the software

### *The list goes on...*

These new cloud based accounting platforms can really streamline bookkeeping and tax compliance.

Now we are in a new financial year it is the ideal time to consider setting up a new online accounting system.

If you want to compare 7 accounting packages for Australian small businesses, including MYOB, QuickBooks Online, Reckon and Xero, visit:

<http://tinyurl.com/q7dxqph>