

# THE EXPERTS

## SMALL BUSINESS ACCOUNTING

# A comparison of QuickBooks, Peachtree

Most business owners consider bookkeeping to be their least favorite task, yet it is essential to your business. Maintaining good accounting records allows you to see which area is doing better than others, cuts down on the amount of time your accountant has to spend preparing your tax return and assists in obtaining a loan. Countless small business-



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es in our area use QuickBooks or Peachtree to manage their accounting data. Determining which software program is best for you can be confusing. QuickBooks is very popular, easy to learn, generally used by people without a lot of accounting experience and is inexpensive. The software offers banking, general ledger, accounts payable, accounts receivable, payroll and inventory functions although you do not have to use all of these features. Other benefits include bank reconciliations, recording estimates and purchase orders, time reporting, creating budgets and the ability to export reports to Excel.

You can keep track of income and expenses by customer, job, and department. Numerous reports are available to help you analyze the profitability of the company including financial statements, job profitability, sales and budget vs. actual reports.

There is a feature to help you manage sales tax, an area where you can easily view and pay your payroll tax liabilities. There is also an easy way to drill into any report total to find out what makes up that balance. Industry-specific versions such as contractor, nonprofit, retail, manufacturing and wholesale, distribution, professional services and accountant editions are available.

When your business outgrows QuickBooks Pro or Premier, QuickBooks Enterprise is available and is well-suited for small businesses as well as mid-sized companies. It is similar to the other QuickBooks products requiring little training, holds more data, runs faster, allows up to 30 users, has advanced user permissions and allows you to generate reports from multiple company files.

Peachtree is typically used by people with some accounting experience, is easy to learn and use, and is reasonably priced.

Peachtree is viewed as providing business solutions and not just an accounting package. The software offers banking, general ledger, accounts payable, accounts receivable, payroll and inventory functions although you do not have to use all of these features.

Other benefits include bank reconciliations, recording estimates and purchase orders, time reporting, creating budgets, and the ability to export reports to Excel.

You can keep track of income and expenses by customer, job and department.

Over 140 reports are available to help you analyze the profitability of the company including financial statements, job profitability, sales and budget vs. actual reports.

There are month-end and year-end closes, the option of having more than one company open at the same time, detailed user password and security settings, customizable reports and a free business analytics tool to find out how your company compares with industry benchmarking.

Industry-specific versions such as construction, nonprofit, manufacturing, distribution and accountant editions are available.

When your business outgrows Peachtree Complete or Premium, Peachtree Quantum is available and is well-suited for small businesses as well as mid-size companies. It is similar to the other Peachtree products requiring little training, offers an order process workflow, has customizable dashboards for each user, has advanced security features and can support up to 40 users.

Once you decide which software program would work best for your business, you can purchase it through a local retailer, directly from QuickBooks or Peachtree, or through a local consultant who can typically offer discounts on the software.

The next step is critical. Take the software out of the box and install it on your computer. Setting up your company and using the software properly is the key; this is when most people get stumped and need a little help getting started.

You can refer to the QuickBooks and Peachtree Web sites for local support.

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invoices in the accounts payable system; receive goods physically or in the system; modify inventory records.

- An employee who matches invoices, receiving reports and purchase orders, can also issue purchase orders or modify inventory records.

- An employee who approves invoices also enters invoices for payments in the accounts payable system.

- An employee who prepares payroll prints the payroll checks or receives them from an outside payroll system.

This list is only a sample of the control weaknesses that can, and often do, occur in small businesses.

Because they exist, does not mean any one company has a problem. It does mean that the risk of loss is increased and the more risk a company assumes the greater the probability of being in the situation that the company at the start of this article was in.

There are a few simple things you can do to dramatically reduce risk:

- 1. Lock boxes are very effective means of enhancing controls.** They eliminate the function of receiving cash and preparing deposits and often, entrepreneurs look at that benefit only when comparing the cost of the lock box to their present system. In fact, the real benefit of implementing a lock box is the enhanced control over the company's cash and the increased speed through the postal system and the bank clearing system of getting

the company's funds in the bank.

- 2. Have an expert review your systems and records periodically.** Entrepreneurs are talented people, but just as an entrepreneur is not skilled to be their own attorney, they may not have the skills to identify problems. Make sure that people who identify themselves as experts have experience in the role. For instance, a lawyer or CPA who specializes in taxes may not have the experience necessary for an effective overview.

- 3. Have a person at the management level review the activity in your bank account daily, or at least every other day.** There are many ways outside people can access your bank account. A simple example is the case where thieves have used the company's account number on a check issued in the normal course of business and then replicated checks and cashed them. If businesses do not monitor the activity in their accounts, they may be at a risk of loss or may be in a situation where recovering those funds will be a painful process.

- 4. Try your best to split up or even outsource key risk functions.** Even partners in a business have been found to steal from their other partners.

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ceived proof – a vital beginning step.

Doubt is a silent killer. We transmit feelings of doubt to others through subtleties in our body language, facial expression and tone of voice. It is picked up subconsciously by those with whom we communicate. Worse than that, we communicate it to ourselves, and it seeps into our performance. Doubt is the de-motivator and all too often it prevents us from even trying.

We all suffer doubt occasionally, and its cure is always the same: proof. Proof that we are indeed talented enough to do what we set out to do. A proof doesn't need to be big to eliminate doubt. A series of little ones can be just as effective.

I keep a journal of accomplishments. Both small and large, because they all add up to reasons for believing in my abilities. It is important to log the little ones, because they are so easy to forget, and yet they carry tremendous weight when it comes to giving ourselves confidence.

You say, "I'm just starting out and have no accomplishments." That just means you're not looking in the right places. We all have successes, some of them may be found in different areas of your life. I often read in

the Wall Street Journal about women, who after years as stay-at-home moms, return to the workforce in well-paid management positions. They acquire these jobs by citing in their resumes the many skills and achievements they learned through their volunteer work. What talents are you racking up through your hobbies and leisure activities?

Sometimes proof comes to us by comparing ourselves to others. Simply ask yourself, "Out of all the people who have ever lived, how many have attained what I want?" The sheer numbers alone will often be all the proof you need.

When all else fails, fall back on faith. Some of the most successful people in the world had absolutely no proof that they could achieve their dreams. All they had was a strong desire and a belief in themselves. As Martin Luther King Jr. once said, "Take the first step in faith. You don't have to see the whole staircase, just take the first step."

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