

THE EXPERTS

BUSINESS FINANCE

What you need to know about QuickBooks

QuickBooks is ideal for most small businesses. Intuit states it is "designed for small businesses with 20 or fewer employees and annual revenues of less than \$2 million" although, depending on the number of transactions, it may handle up to 100 employees and annual revenues up to \$5 million.



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Proper set-up is critical – Although Intuit advertises "Start in minutes, save hours," you may need a little help getting started. In the Hampton Roads area, there are more than 60 consultants listed as being a QuickBooks ProAdvisor; some may be willing to visit your office.

Create passwords – Each user

should have their own password and you may want to limit their access to certain areas of QuickBooks.

Keep up-to-date – It's best to record your transactions as you go; don't wait until January to record the entire prior year's information.

Maximize QuickBooks – If you are going to use QuickBooks, you might as well use it properly and for all of your accounting needs. Besides just writing checks and making deposits, use more of the features to get an overall picture of your company's financial information – accounts receivable, accounts payable, payroll (including certified payroll), time sheets, job costing, estimates, departments, budgets. Set up recurring transactions; manage sales tax; track mileage, statements, collection letters and more.

Reconcile accounts – It is important to reconcile your bank and credit card accounts every month.

Review your financial statements

– Make sure you, as the business owner, know what every number on the balance sheet and profit and loss represents. Review these reports often.

Check behind your bookkeeper – This is becoming more and more vital. Even if you trust your bookkeeper entirely, it may be a good idea to have someone check behind him/her on a regular basis. You should review the bank statements thoroughly, including copies of the checks. Make sure the proper signatures are on all checks. Look for credit card payments and make sure the amounts are backed up by a statement. If you process payroll in-house, especially if you are using direct deposit, be sure to review the payroll reports within QuickBooks. If you outsource payroll, make sure you examine the payroll reports carefully. If you use another software program to track customers' income, make sure the figures from that software program match those on the bank statement and those figures match those in QuickBooks. The bank statement is very telling so review it in detail.

Year-end reconciliation – After your tax return has been prepared,

be sure to obtain any journal entries that need to be recorded in QuickBooks. At the end of each year, your books should tie to your business tax return.

Upgrade your software – Currently, QuickBooks 2011 is the most recent version; right now you may be using QuickBooks 2009, 2010 or 2011. Products include Pro, Premier and Enterprise. Industry-specific versions such as contractor, nonprofit, retail, manufacturing/wholesale, distribution, professional services, and accounting editions are available.

Ask for help – Most business owners do not go into business with a bookkeeper or an accountant without the advice of your CPA and/or accountant. Call your accountant or local QuickBooks ProAdvisor (proadvisor.intuit.com/accountingmatch) if you need any help.

Backup your data – Make backups often, not only to your hard drive, but also to a flash drive, external hard drive, server or cloud backup.

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