

Accounting Fees & Small Business

How do I keep my accounting fees reasonable?

- Put all income and expenses through your ONE business bank account
- Keep personal spending away from your business account
- Have a credit card for business expenses ONLY – use a separate card for private spending
- Use the description on bank EFT's wisely
 - Abbreviate to include maximum information
- Supply a copy of invoices where GST is NOT 10%:
 - Insurance policies
 - Vehicle Registration
 - Purchase of new assets / equipment
- If you don't have enough money in your business account to pay bills, put money into the account as a clearly marked LOAN, and make the business payments FROM the business account.
- Monitor your Debtors (money owing to you) and Creditors balances (money you have recorded as owing to outsiders, but is currently unpaid)
- Closely monitor un-presented items on your bank reconciliations – they be duplications or errors.
- Supply us ALL the information at one time.
- Answer all our questions at once.

Things to **avoid** – because they complicate data entry accuracy:

- Paying business expenses out of non-business bank accounts;
- Paying expenses for one business from the account of another business – creates intercompany loan accounts which are time consuming to reconcile;
- Using your business account for private spending – I have seen private spending **triple** the number of transactions to be processed in a small business;
- Recording an amount owing as an Accounts Payable and then forgetting when paying to pay against that transaction and making a cheque entry for the payment. This will overstate your payables and overstate your expenses;
- Leaving uncollectable amounts as owing.

Terminology

Function	QBO	Reckon Accounts Business	MYOB	PC Law	
<i>Pay money from your bank account</i>	Create Cheque	Write Cheques	Spend Money	Write Cheques	
<i>Money owing to you by customers</i>	Accounts Receivable	A/R or Accounts Receivable	Creditors	Accounts Receivable	
<i>Create invoices to customers</i>	Create Invoice	Invoices	Enter Sales	Create Bill	
<i>Enter Money to pay later</i>	Enter Bill	Enter Bills	Enter Purchases	New Payables	
<i>Payment of amounts entered as owing to suppliers</i>	Pay Bills	Pay Bills	Pay Bills	Process Payables	
<i>Enter Credit Card transactions</i>	Create Credit Card Credit	Enter Credit Card Charges	Spend Money	Write Cheques	