

Do You Need Accounting Software for Your Business?

If you dislike doing your accounts and taxes, you can make this process easier, less painful and even cut your accountancy fee by getting an accounting software package.

First of all you need to decide whether you are going to keep your accounting records manually or going to computerize the process.

If you decide that computerizing the process then you need to decide whether to buy an accounting software package, for example MYOB or UBS, OR whether a spreadsheet, such as Microsoft Excel, will suit your needs better.

As a general rule if you are a cash business that just needs to record income and expenditure then you are better off using a spreadsheet.

So, should you choose an accounting software package? Yes if:

- You have customers to whom you extend credit and you buy goods in the same way
- You process in excess of 50 transactions per month, and
- You are computer literate or are willing to learn!

Before choosing the accounting software, speak to your accountant, they will be familiar with the various accounting software packages on the market and will be able to advise you. Most accountants use software in their office to process the bookkeeping for their clients and will have a working knowledge of the accounting software package they use. It may be cheaper for you to use the same one they do, because they can advise you how to get it up and running and will be on hand to answer questions, plus at your financial year end when your accounts need preparing it will be less expensive.

You also need to do some research by obtain a demonstration disk or download the accounting software. This will give you an idea of how they work and whether they are user-friendly.

The cost may also be an issue, so you need to decide on your budget. But consider how your business is likely to expand - you may outgrow that budget accounting software quickly and end up buying the more expensive one anyway.

Accounting software providers may also try and up-sell you a maintenance contract. Although established software providers will not have bugs in their systems, it is better to have the first 12 months maintenance contract, so that you can have guidance should you have encounter problem during your initial use. They will also try and upgrade you to the next version on a regular basis, but if the software is doing fine then there is no need to upgrade.

Of course, you could also pay someone to do your accounts for you, either your accountant or a bookkeeper, the payoff being you don't have to do it yourself and it frees you up to actually run your business and have more profit!