



ACCOUNTING SYSTEMS AND SOFTWARE

LESSON TOPICS

1. Double entry Accounting Program

The double entry accounting program is a system that has been around for a thousand years, where each transaction has two sides. The two sides are debit and credit. This will keep your books in balance, by having income and expenses on one side and assets, liabilities, and equities on the other side. Essentially debit what comes in and credit what goes out.

2. Four Criteria for the Software You Choose

1. Something that works for you, and gets you the reports you need in order to conduct good business.
2. Something that works for the CPA to get the reports they need to prepare your taxes.
3. It helps you realize detailed income and detailed expenses.
4. You want it to be transparent, not to get lost, or messed up.

3. Different Systems You can Choose

-Simple spreadsheet from Excel. This can get difficult with constant updating and the fact it does not allow the double entry accounting program.

-PayPal can be used, it is not an accounting system, but does allow you to manage your income in detail. It is easy to sign up for, user friendly, and manage and receive invoices/ payments.

Other merchant accounts to use are Stripe or

Square.

-The Point-of-Sale systems can calculate the sales by line item, keep inventory, and keep track of sales tax.

-Payroll systems like Gusto, Paychecks, QuickBooks online, and local banks have payroll systems will be needed as well. Do not try to keep up with payroll yourself.

4. QuickBooks

QuickBooks is the number one software used by small businesses, that utilizes the double entry accounting system, and has some automatic functions to track debits and credits. There are two versions, either the Desktop QuickBooks or the QuickBooks Online (QBO). QBO is the most popular cloud-based accounting system in the world. Within these programs, there are different levels that you can purchase depending on the features you need. Cloud accounting is the fastest and most efficient way to keep your books. QBO is a monthly subscription, but has thousands of apps that can integrate well with other software if need be. The best feature is that your bank and credit card automatically feed your transactions into your QBO.

5. Other Systems

Xero, Sage Accounting, FreshBooks, Zoho Books, Wave, GoDaddy

These are more basic systems that can work for small businesses or places that do not have payroll included or complex balance sheet items.