

Frequently Asked Questions

Do I need an Electronic Accounting System?

By law, your business records must;

- Explain all transactions
- Be in writing (electronic or paper)
- Be in English or in a form that can be easily converted
- Be kept for five years (some records may need to be kept longer).

If you do not keep the right tax records, you could incur penalties. This does not mean that you must have an electronic accounting system, however, there are many benefits to having a proper electronic accounting system. With the right electronic Accounting System you can;

- Produce invoices, record payments and balance customer accounts
- Get invoices paid quicker through payment systems
- Produce summaries and reports for GST and income tax purposes
- Easily pay employees and record their leave, entitlements and tax
- Keep up to date with the latest tax rates, tax laws and rulings
- Report certain information online directly with the Australian Taxation Office
- Comply with Superannuation requirements by which payments must be made electronically.
- Save on physical storage space
- Back up records in case of flood, fire or theft
- Communicate more effectively with your bookkeeper and accountant
- Save valuable time and money by working more efficiently

More importantly, having an electronic accounting system will ensure you are ready for when your business grows!

Which Accounting System is Right for Me?

There are a multitude of Accounting Systems available, however knowing which one is right for your business can be tricky. Marketing and hype about certain products doesn't mean that the product is right for your business. We recommend getting professional advice from a consultant such as ourselves prior to purchasing, this will ensure you get the right product and don't waste valuable time and money on products that don't suit your business. Here, at Accounts Easy, we can help you in the selection process, identifying your business requirements and matching them with the appropriate accounting system. We work with the major accounting packages including; MYOB, Xero, Intuit/ Quickbooks, Reckon, Sage and more!

When is the best time to get an accounting system?

This is a great question, and one that is normally asked too late. The best time to get a system is before you start operating as;

- You can ensure you are ready to go when your business is up and running.
- This will enable you to start invoicing your clients immediately
- You have the time to have everything set up properly, which can be hard to find once your business starts getting some momentum
- It's smarter, quicker and cheaper to get it right before you start then having to go back and fix it afterwards.

If you are already operating and do not have an accounting system, it is never too late. If you would like help in organising and setting up a system, the team at Accounts Easy is here to help.

What is the “cloud” and is it right for me?

The Cloud- What is it? Can I use it? Will it benefit my business? I'm not good at computers, will it be too hard to use? These are all questions that we get asked regularly, and the confusion behind the Cloud is often the reason why small businesses shy away from using it and the benefits its use can bring. But there is no need to, through effective implementation and management, the Cloud can be used to help your business grow and succeed.

To answer some of these questions, the Cloud refers to a centralised location on the internet that stores data, making it accessible anytime, anywhere, from any device. Benefits associated with the Cloud include;

- Reduced Cost- Using the Cloud over physical file storage can save a significant amount of money.
- Ease of Use- Saving and accessing files on the Cloud is easy, making it an attractive option, even for non-technical small business owners.
- Flexibility- The Cloud, is adaptable and can change and grow as your business does.
- Automation- Instead of having to invest in IT support to keep your file storage system updated and maintained, most applications that use Cloud automatically update themselves.

Cloud Accounting, is simply an accounting system in the internet. Instead of accessing an application on your desktop, you access the application through a web browser. This means you can essentially access it anywhere and better still, your bookkeeping and accountant can also access it!

Is it important to get my accounting system set up professionally?

There is a general misconception that these systems are plug and play; you buy the program, install it and can use it straight away. The result of this is it's never been 'quite right'. Some functionalities

aren't working or being used, figures are not matching up, leave is not calculating right and the list goes on. Suddenly, the program you purchased to make life easier, has just made things harder!

It is important to remember that these systems are sold stock standard depending on the package you chose. Each system needs to be customized to suit your individual business requirements, taking into consideration tax, payroll, goods and services and more. The system doesn't know if you have stock, jobs, progress payments, salaries, bonuses or the like, unless you tell it.

Once this has been set up correctly, you can gain more accurate results from your system, ensure you are compliant with ATO requirements, but most importantly, have all the functionalities set up correctly to save you both time and money.

If you are looking to purchase an accounting system or already have a system in place and would like help in setting it up correctly, contact the friendly Accounts Easy team.

What are my superannuation requirements and when is superannuation due?

As an employer, you are required to contribute money to your employee's superannuation fund. This is referred to as the Superannuation Guarantee. As from 1st of July 2014, you need to pay a minimum 9.5% on ordinary time earnings (for further clarification on ordinary time earnings, please contact the Accounts Easy team).

Generally, you must pay super for your employees if they are:

- 18 year old or over and are paid \$450.00 or more (before tax) in a calendar month;
- Under 18 years old and are paid \$450.00 or more (before tax) in a calendar month and work more than 30 hours in a week.

Superannuation payments must be paid through SuperStream. SuperStream is the way businesses must pay employee superannuation guarantee contributions to super funds. With SuperStream, money and data are sent electronically in a standard format. If you have an accounting package such as MYOB or Xero, payments through SuperStream may be included. If not, and you have under 19 employees you can use the Small Business Superannuation Clearing House.

Superannuation payments are due on the 28th of the month following the end of a quarter. For example, for the January to March quarter, superannuation payments are due by no later than the 28th of April. On our resources page, we have a section for important upcoming dates. You can save this page to your favourites to keep on top of your reporting requirements.

What are my BAS requirements and when is my BAS due?

The business activity statement (BAS) is a tax reporting requirement for businesses. It is used for reporting and paying goods and services tax (GST), pay as you go instalments (PAYG), PAYG withholding tax and other tax obligations. The Australian Taxation Office will notify you of your reporting requirements and whether you are monthly or quarterly. Your BAS requirements are dependent on your individual circumstances, if you require assistance in understanding your requirements, the team at Accounts Easy can help.

Your due dates will depend on whether you are on monthly or quarterly BAS as well as the size of your business. Generally, for small business (up to \$10 million turnover), monthly BAS is due on the 21st of the following month. For example, for the February Monthly BAS, lodgement is required by the 21st of March. Quarterly BAS is due on the 28th of the month following the end of a quarter. For example, for the January to March quarter BAS, lodgement is required by 28th of April. When a due date falls on a Saturday, Sunday or a public holiday, you can lodge or pay on the next business day. On our resources page, we have a section for important upcoming dates. You can save this page to your favourites to keep on top of your reporting requirements.