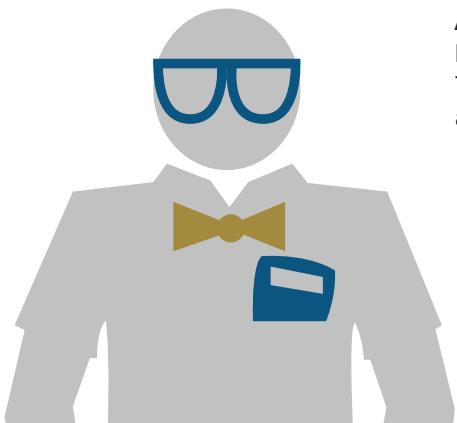
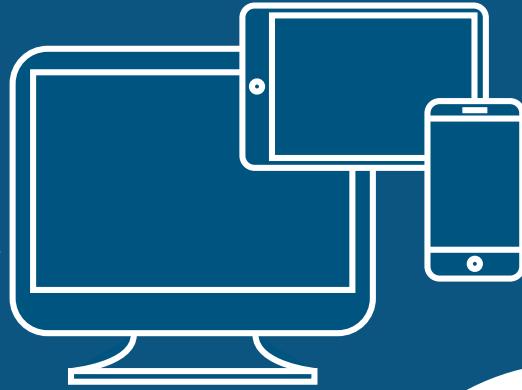


Cloud Accounting Set Up Tutorial

Instant Access to Management Information
in Just 13 Steps



According to Intuit, 65% of business owners use cloud technology to perform back-office work, including bookkeeping and accounting. By 2020, approximately 78% of small businesses will be fully cloud operational. Still, some business owners are on the fence.

In the past, security concerns were the main reason small and midsize businesses refrained from adopting cloud technology. However, a 2016 survey by RightScale revealed that security is no longer the top cloud challenge. Instead, lack of expertise/resources (such as with migration) is now the leading cloud challenge.

The following **13-step checklist** is designed to help small business owners successfully migrate to a cloud accounting system.

- Choose a system.** There are many cloud accounting systems available on the market. Among the most popular are QuickBooks Online, Xero, Zoho Books, and FreshBooks. Some are more efficient than others, and some are specifically designed for certain types of businesses.
- Update and reconcile your existing system.** If you have an existing business, you will need to transfer your current balances and history for the year to date over to the new system. Before you perform the transfer, ensure your existing system is current and reconciled. If not, you will risk wasting hours on the data transfer process, and you will still need to fix the issues in your cloud accounting system in order to get any meaningful information out of it.
- Enter your business information** into the new system. This includes business name, address, financial year end, whether you are registered for sales tax and your bank details.
- Chart of accounts.** If this is the first time you have set up an accounting system you will need a chart of accounts. Every business has its own types of sales, income, expenses, assets and liabilities. The chart of accounts is your list of sales, income sources, expenses, assets and liabilities. Setting this up correctly at the outset will save you substantial time and make it much easier to post your transactions to the right place. Even if your existing computerized accounting system already has your chart of account, you must also establish a chart of accounts on the new system.

- Transfer trial balance.** Perform a data and transaction history conversion to move your accounting balances – such as fixed and current asset balances – over to the new system.
- Enter sales and purchase ledger open invoices.** Be sure to enter the correct amount so you pay only the right amount of sales tax and have an accurate record of who you owe money to, who owes money to you, and how much.
- Create email and invoice templates.** Save time by sending documents, such as sales invoices, electronically. Before you do this, take the time to create your own branded templates.
- Set up your bank feeds.** This process automatically imports your bank transactions directly into your accounting system. This is not always a straightforward process, (some banks have their own way of doing things), but it can be a tremendous time-saver in the long run.
- Set up repeating transactions.** This includes transactions that you carry out on a regular basis, such as bill payments. You can recall these transactions as needed. This saves times and helps you prevent errors because you will not have to enter the data over and over.
- Transfer history and comparative balances.** Along with transferring your trial balance for the current period, be sure to transfer previous financial periods as well. This will help you with reporting and trend analysis.
- Transfer supplier records.** Every time you purchase something you will need to set up the record for the supplier. You can save time by simply transferring all your existing supplier records over to the new system at the outset.
- Transfer customer records.** As with your supplier records, it will save you time in the long-run to set up your customer records right away.
- Explore the best apps.** You're almost at the finish line. Only thing left to do is to look into cloud accounting applications that can simplify your financial processes – and there are hundreds of them. Some of these apps help you with inventory. Others with getting paid. Some help with reporting. The volume of available apps is a bit overwhelming, but there will be some that can make your life easier, so it's worth finding and implementing them.

Cloud accounting systems give you real-time information that lets you know where you stand in your business now, so you can make decisions that lead to business growth. They are also more cost-effective than manual and desktop-based accounting systems – but as with those two systems, they can be a hassle to set up.

The above 13-step checklist will help you implement your cloud accounting software. If you need assistance, keep in mind that SDA CPA Group specializes in cloud accounting solutions and setting small businesses up on the cloud. We can get you up and running in the cloud in no time, drastically cutting deployment times and saving you hours of time and frustration.