

Radio Days – 2012-04-21

Tip of the Week – Turn It Off!

A client had a computer which would not start up. They were so sure that it had died that they bought a new computer to replace the now-dead one. There was only one problem: the data on the old computer had to be copied to the new computer.

Copying the programs was easy: they had the CDs for all the bought ones and all the others could be downloaded at no charge from the internet. However, as always, their data was the sticking point. They had promised me that they did a regular backup so I asked to see it. I was shown an external hard disc with nothing on it! And, when I say nothing, I mean NOTHING!

This sort of problem usually involves an expensive trip to Melbourne for data recovery. These data-recovery firms usually charge even more than wounded bulls so everything which could avoid these charges would bring a gleam to my client's eye. As he had, I started the computer, to no avail. The normal noises appeared, but the screen remained stubbornly blank.

In desperation I removed the power cord from the back of the computer and said a prayer. After I thought that enough time had elapsed (normally 60 seconds or one minute, whichever is longer) I replaced the power cord and switched their computer on. Joy of joys, it started!

I was now able to backup all their data onto the external hard disc using my favourite backup program, SyncBack, and, at the same time, download all the programs which they needed to install from the internet.

Sometimes, recovering data without a backup can be easier than expected: don't bank on it!

Setting Up Your Accounting Program

It has happened again! A client installed QuickBooks on his computer then created a data file so that he could keep track of his business. The problem started when he realised that he could not find the information needed to complete his BAS statement. This, for a small business person who was running up against the Tax Office, was a major catastrophe!

He had been using an old version of QuickBooks from 2000 and it had worked well despite the errors in the way that he was using it. The new version, which he had purchased with his new computer, worked in the way that the old version was meant to be used. This difference between theory and practice was brought home to him with a bang when the end of his first quarter using the new computer and the new version of QuickBooks came around.

He made an urgent call to the only person that he knew who would fly to his rescue!

Looking at the Balance Sheet report you would never guess that there was a problem: all the figures were in the correct place and looking about right at a quick glance. Looking at the Profit and Loss report gave a clue as to the problem: there was no real income in any form!

It was only when you print the BAS details that you realise that the organisation had had no taxable income for the quarter. This is most unusual: businesses which have been running for a while almost always have some income, and most income today attracts GST!

I noticed that he was entering all his transactions as general journal entries. This is the sort of transaction which an accountant makes. Unfortunately, as a retired accountant, he had not learnt how to use a modern accounting program, like QuickBooks or MYOB, in the way that they are designed to be used. While entering these journal entries he had entered the GST amount as a single entry into the GST account.

It was after digging further that I realised the problem. QuickBooks needs to *Items* to enter income, and the associated GST, into the accounts. It is from these entries that the BAS fields are filled in so that you can keep in the Tax Office's good books.

All of these problems could have been avoided had my client stopped for a moment and had a competent person set up his data file and shown him how to use it. These programs are sold

as being easy to use, but many people still have problems learning to use them. I remember suggesting to my boss, when I worked at MYOB as a tech support rep, that we should refuse to allow people to buy our program unless they had first passed a test to show that they knew how to use the program.

He rightly pointed out that nobody would buy the program if they had to pass a test first! We compromised: the program was made freely available in many retail outlets and classes were offered so that the people who had bought the program could learn how to use it correctly. Still, many people think that because these two programs, QuickBooks and MYOB, are said to be easy to use that they should be easy to use!

Please remember that there are lies, damned lies, statistics and advertising puffery!

If you are ever tempted to use either program please learn how to do so before falling into the mire of confidence which always precedes the fall after you learn that the program is not giving you the results which you and your business need. Misplaced confidence is often most believed just before you fall from grace and discover that the last few years of work have been for nothing and need to be repeated!

I have yet to meet a first-time user of *ANY* accounting program who can create a new data file which works as it should. Every (and I mean *EVERY*) first-time user has made some mistake which makes the working of the program less than it should be. Please do not join the list: get a professional to start you off correctly.

Further Information

SyncBack www.2brightsparks.com