

# Radio Days – 2014-04-19

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## ***Tip of the Week – Keep Windows Updated***

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A new client has just bought a business and a new computer to help her run the business. She rang and asked me to install QuickBooks and create the necessary company file so that she could continue to use QuickBooks correctly.

This took some hours to do because her new computer needed to be setup as well and, during this time, her new Windows 8 installation downloaded lots of updates: so many, in fact, that it took several minutes to close her computer down for a restart after installing QuickBooks and some other programs. Then, during the restart, her computer needed to do some more updating to complete the installation of the downloaded updates.

Because this is new computer I warned my client that it would probably have updates for the next few weeks until it had downloaded all the updates which Microsoft had produced since her computer had been made. This process would mean that she should be careful and leave her computer on for at least an hour every day so that it could check for, and if necessary download, all the updates which it needed to bring it up-to-date with all Microsoft's updates.

Over the last few months Microsoft has realised that there are far too many people who do not like the new Windows 8 interface. These people have been far more vocal than those people who believe that this same new interface is both the ants' pants and the bees' knees.

This has prompted the company to remove many senior people in charge of the Windows 8 project and to produce two major updates. The first of these updates was Windows 8.1 which, if you have a Windows 8 computer, you should have installed.

### ***Windows 8.1 Update 1***

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This is the latest update to Windows 8 and was released on the day that Microsoft ended support for Windows XP: Tuesday 8 April. If you have not already updated your copy of Windows 8 to Windows 8.1 then please do so now. If you do not have updates set to download automatically then please go to your Control Panel and select Windows Updates. In this section please ensure that *Install updates automatically (recommended)* is selected so that you get updates as soon as they have been released.

This is the safest way to run a Windows computer.

### ***MYOB Rollover***

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During the week I had a call from a client who could not access old transactions in her MYOB data file. She knew that they were there because she had just got her file back from her accountant and her accountant had rolled her data file over after doing the end-of-year tax return.

She was unaware that MYOB needed to be rolled over at the end of every year so I sat her down and explained just what was going on with her data file. I explained that, in the good old days of the last century and the last millennium, all accounting data programs needed each trading month to be completed and then closed before the next trading month could be started. This made accounting software most complicated and frustrating, and many people thought that there should be a better way of doing this. MYOB came to fame because it only needed to complete and close each year, not each month, so saving the average user a lot of time and problems.

There was another reason that MYOB needed to have each year closed: the way that its data was stored on disc in those early years meant that there often was not enough available space in the data file for more than one year's worth of data. Now that there is a new filing system in use there is no reason for MYOB to need to close each year to be able to print reports for later years.

There are many temporary buildings still in use, and MYOB's temporary need for each year to be closed is no longer relevant. Other, better, accounting programs like QuickBooks manage to keep going year after year after year without the need to complete and roll over each year.

I notice that more and more accountants seem to be switching to MYOB and requiring that their clients switch to MYOB from their current accounting program. This is obviously good marketing from MYOB but not as good for my clients who are usually happy with their current accounting program. This may be because they have bought MYOB's tax preparation software which makes preparing a company's tax return from its MYOB data file a doddle.

### ***The Problem***

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My client's problem was that her MYOB data file lost data when her accountant ended the year and rolled her data file over. This process removes data from the year two years ago so that MYOB only has to keep track of last year's data, this year's data and next year's data.

When you perform a year-end rollover you are warned to make a backup copy of your data file before all the early data is removed but, as so often happens, her accountant did not read the screen or know that data was removed during the rollover. Thus, when he returned my client's data file on her memory stick there was only her new data file with a whole year's worth of data gone to data heaven (or, in her case, data hell!).

### ***The Financial Year-End Solution***

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She, fortunately, had made a backup of her data file before taking it to her accountant so we were able to recover her data as it had been before her data file went to the accountant. This was a good move on her part so I congratulated her on her foresight.

The next step was to ring her accountant to see if he had entered or changed any transactions while he had had her data file: he had! We then had to get him to come over and re-enter these transactions so that we could get a fair copy of the data file for the previous year. He objected to this intrusion in his working day but, because my client was a determined woman who had my skills to back her up, he soon realised that the easiest thing was to come over and re-enter these transactions.

Once he had entered the missing transactions I was able to explain to him just what happens when an MYOB data file is rolled over and how to prevent this sort of error in future. This was news to him as he had not realised, or bothered to think about, what happens when a data file is rolled-over and what the ramifications are. I hope that he remembers this lesson and does not subject his other clients to this form of accountant abuse.

The steps that I follow are quite simple:

- Make sure that the file name has the financial year as part of the name. Because the year just ended was the 2013 financial year I renamed my client's data file to look like this: *company-2013* because it was the file for the 2013 financial year ending in June 2013.
- Check the data file for errors. This step only applies to older versions of MYOB: later versions do not need this.
- Compact the data file. Again, this step is not needed for current versions of MYOB.
- Because her accountant had done all necessary year-end transactions there was no need to do any more so on with the next step.
- Close MYOB then use Windows Explorer to copy her file and rename it to *company-2014* so that it could be used for the coming financial year ending in June 2014.
- Start MYOB and open the new, 2014, data file and perform the year-end rollover.
- In earlier versions of MYOB you also need to compact the data file after the year-end roll-over.

Now everything is ready to go! All the old data is available in the previous year's data file and the new data file is ready for a whole year's transactions to be entered.

Of course, you still need to ensure that the previous years' data files are copied when you do a backup. To ensure that this happens please ensure that the old files are stored in the same folder as the current year's data file. It is also a good idea to set your computer's data forward by two years then re-registering your data file as a read-only data file so that no changes can be made to your old, historical-records only, data file.

Now set your computer's date back to the correct date!

### ***The Payroll Year-End Solution***

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For those people who also do their payroll in MYOB there is another year-end function to do between the last payroll run in June and the first payroll run in July. This is a payroll roll-over and is similar to a financial year-end roll-over. This process completes the payroll for the year just ended. It was not relevant for my client because we are nowhere near the end of June but it may well be relevant for you in June or July of this year and the following year.

After the last payroll entry in June you need to do a number of things before you can enter the first payroll in July. These include:

- Printing all Employment Summaries (the old Group Certificates) and giving them to your employees before 14 July each year.
- Copying your data file so that you can review the payroll details for this ended year.
- Closing the payroll year and starting the new payroll year with a roll-over.
- Compact the data file. Again, this step is not needed for current versions of MYOB.
- Ensure that you have the latest tax tables installed if the federal government has changed them for the new tax year.

Again, you will need a copy of your data file so that you can review the transactions which will be deleted when you complete your payroll year-end roll-over. Again, with the new file, you will need to compact your data file then change your computer's date to add two years so that you can lock your data file and make it read only.

I wish that there was an easier way to complete a year-end (financial or payroll) roll-over but there is not if you continue to use MYOB.

### ***Alternative Programs***

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There are other accounting programs which do not need an annual rollover. It is not really necessary in MYOB but the whole structure of the program, since the beginning of time, is built around an annual cleanout. The program has had at least two changes of data file structure since I worked there in the mid-1990s, but the underlying program has not changed to keep up with these changes.

This is one of the reasons that I prefer QuickBooks. It has a much easier way of handling the end of a period: just lock the transaction date with a password. This means that you cannot add, change or delete a transaction before the set date without knowing the password. This is far more convenient, and you can access all transactions, and print reports, for any period for which there is data in your accounting file.

MYOB is locked in a past which is no longer exists, and its users are locked into that past by the structures which were needed ten and twenty years ago.

### ***Further Information***

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QuickBooks [www.reckon.com](http://www.reckon.com)