



The following is a brief summary of the minimum steps a business should take in the design and implementation of a QuickBooks accounting system. This in fact applies to any accounting system – although we believe it's possible to have an easier time of it with QuickBooks.

These steps and comments are general in nature. You must seek professional advice to apply these procedures for your business.

Here's the list.

Define the reports you need from your accounting system. That means defining exactly the information you must see and the format you prefer. By this we mean information beyond the standard financial statements. This will avoid wasted installation time and money only to find that the information you need most is not available. Also, note time constraints (how often & when).

You'll want to consider at least the following:

1. Sales analysis by product line.
2. Customer sales analysis.
3. Sales commission reports.
4. Job profitability reports.
5. Open purchase orders – keep track of what you've ordered but did not receive.
6. Open sales estimates – keep track of sales efforts in progress.
7. Cost driver analysis using a sufficiently detailed chart of accounts.
8. Industry reporting benchmarks.
9. Your own business planning benchmarks.
10. Labor reports.

Define all the different transaction types to be recorded.

Test sample company data to ensure reports are available

Define the chart of accounts and items you'll use.

Define the flow of accounting information through the entire system. This means receipt and control over transactions, entry into the computer, use for management analysis and finally filing into a system that allows for retrieval.

Address accounting method issues - both for financial reporting and for tax purposes.

Specify the system of checks and balances to ensure internal control over assets and to ensure accurate reporting. Even for small business this is an important consideration. (Many who have seen fraud in practice note that it's usually committed by the last person one would expect to).

Design a system of "cut-off" to ensure that all transactions that should be included in a particular time period are in fact recorded.

Specify month-end accounting and reconciliation procedures. This will ensure that accounting system reports are reasonable.

Tie financial reporting system to overall management control program