From the Nov. 2008 Issue

I remember the time when I managed my accounting firm without tracking everyone's
time. We have always value billed most services in our firm. But early in my career, I thought I knew everything that was happening. After all, we were a small firm, and I thought tracking time wasn't necessary. Boy, was I ever wrong.

I came to think of time as widgets, and it sure seemed like I was giving a lot of widgets away. Don't get me wrong, we still value bill most everything. The difference now is that I like to know how many widgets it takes to produce that fixed-fee engagement, how many widgets we are billing at hourly rates, and just how many widgets we are letting walk out the door for free.

EXECUTIVE SUMMARY:

- Tracking time is imperative, whether billing by the hour or fixed-fee.
- Time and billing systems offer analysis tools and measurement of employee and firm productivity.
- Automated invoicing provides greater detail for clients and internal review.
- Most systems integrate with popular professional and client-side accounting systems.

The one thing I have noticed is that it's becoming more and more difficult

to know how much time we are spending on all of our engagements. As an example, let's say your firm prepares a 1040 and charges the client $400 for the preparation. Does your current system provide you the information to bill the client when the return is completed? Is all the time entered? What was last year's fee? Is there a reason you should be charging more or less this year? What is the actual realized rate on this 1040 for the firm based on time incurred? The answers to these questions provide valuable information as you grow your practice.

Time and billing systems include the ability to invoice your client, track the payment, age your receivables, and assess interest charges and sales tax. You should be able to e-mail invoices from your time and billing system directly to the client. All the systems I looked at included some communication capabilities such as templates for collection letters.

Reporting is key to managing a practice. Most offerings provide several key reports as a part of the system, where some will allow customization capabilities. Time and billing systems serve as a valuable component to running a practice today. Tracking time, invoicing clients, collecting receivables and reporting were the key components I considered in this review. But I think today's time and billing systems have to do more. Firms are looking for programs that allow them to integrate well with other components of running their office.

Most of today's systems offer some level of integration back into small business accounting market programs like QuickBooks, Peachtree and, in many cases, Micro-soft Office Accounting. Many also provide integration with Outlook for contact management. This is important as firms look to minimize the number of databases they are trying to maintain.

Selecting our time and billing system was a very important decision (as I'm

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AccountantsWorld – Practice Relief

AccountantsWorld offers a completely web-based time and billing package called Practice Relief. With a true web-based application like this, you have access anytime/anywhere as long as you are connected to the Internet.

Read Full Review

BQE Software Inc. – BillQuick 2008

BillQuick 2008 is a very solid product. If you are in the market for time and billing software, I would strongly recommend looking at this package. BillQuick has been a good product choice for a number of years, and the release of the 2008 version offers more than 200 improvements and enhancements.

Read Full Review

ImagineTime Inc. – ImagineTime Time & Billing

ImagineTime Time & Billing is geared for the small accounting firm. It has also evolved to serve law offices and other

consulting-oriented professions, as well. But for the sake of this review,

homepage. You can know instantly what's going on with your client, what projects are being done for them and what documents are associated with them.

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Sage Software – Timeslips by Sage 2009

Timeslips by Sage 2009 has been around for more than 20 years and has proven to be a very effective time and billing system for accountants, lawyers, consultants as well as architects and other service-based businesses.

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Review

TPS Software Inc. – TPS Time & Billing Software

TPS Time & Billing Software is designed exclusively for tax and accounting practices and more specifically for the small tax and accounting firm (up to 60 employees). If your firm needs a simple Time & Billing program with a clean interface, this package is worth considering.

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Review

2008 Review of Time & Billing Systems — Comparison Chart

Technology

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