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Rev Your Engines with Our Top Tune-up Tips

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As I write this column, spring is upon us. And almost in sync with signs the economy is starting to improve, the blossoms are opening up. This season of rebirth is a signal to start revving your engines to take advantage of both these positive events. We can't offer much help on the green thumb requirements of spring, but here's some good business tips to be sure your company is tuned up and ready to go:

1. Review Your Chart of Accounts

How long has it been since you really reviewed your Chart of Accounts (COA)? The COA is the foundation for your financial reporting analysis, yet most companies start the business with a COA and it sticks around in that original form far beyond its usefulness. Sure, you might squeeze in a new account, but most just settle with the reporting. Truth is, many of today's financial systems can renumber accounts, merge accounts with history or delete unused ones. If it's your time, here's what you ought to consider:

- Do you have the correct number of segments — department, location, product line, division, etc?
- Should any accounts be merged or inactivated?
- If you delete an account, first check to see if it was ever active; you don't want to delete or lose historical information.

2. Analyze Your Financial Reports

Just because you have financial statements, doesn't mean they show what you need. Review to ensure reports deliver information that is of value and in a format to help you make good business decisions. Consider including some non-financial information that can be used as calculations: revenue per employee, revenue per square foot, by meals served or by patient days. Remember also that you can create financials specific for managers that include only income and expense items over which they have control. Managers are more likely to read reports if the information is meaningful and it helps them do their jobs more effectively.

3. Data Integrity & Cleanup

To be sure that your data is in good shape:

- Confirm that all subsidiary journals (payables, receivables, inventory, etc.) tie to the General Ledger and your bank reconciliations are up to date.
- Confirm that you are keeping the right level of history. If you have too much, you may spend time upgrading and backing up unneeded data. Too short, and you lose valuable history.

4. Backups

I'm sure you know of someone who lost data because of a bad backup. Take time now to confirm the following:

- Backups run at the regular intervals you set up. To determine the right amount, ask yourself: How far back are you willing to go to recreate data in an emergency?
- Backups include everything you need. You would be surprised how many companies religiously back up only to find they were not backing up large chunks of their valuable data.
- Restore is working. Do a test restore to ensure you have the right "insurance protection" when you need it.

5. Fixed Assets

You never want to pay unnecessary bills, so utilizing Fixed Assets is an important way to manage all your assets.

- Track all your assets and note who is in possession of each. This ensures that when there is a change in personnel, the company does not lose any assets.
- Use Fixed Assets to track personal property because so many municipalities now require you to pay taxes on your personal property. Once you start looking, you will likely find you have some personal property or old assets still on books that are no longer being used. You're still paying taxes on those, so get rid of them. A review will also catch personal property still on the books that is no longer in your possession.

6. Security

Homeland Security does its job for the country, but you have an important role in the security of your company:

- Remind employees of proper password protocol. This means being careful and not allowing someone to watch while you type in your password.
- Have a process for people to change their password at any time they think it was compromised. This could be for when a team member does watch you type it in or as innocent as giving your password to a manager when you are out sick so they can get into your account to handle a quick item.
- Change the administrator password regularly, and use your network to force changes in user passwords periodically. Use strong passwords that are eight characters or more and use multiple types of characters — numbers, letters, capital, punctuation, etc.
- Delete former employees that still have a User ID and password.
- Confirm that employees have the correct access to things they need and are excluded from areas where they should not have access.

7. Service Packs

Make sure you are updating both workstations and servers with the latest service packs from publishers such as Microsoft.

8. Benefits & Policies

Do a full review of your policies as it applies to employment to ensure:

- You are accruing and deducting the correct number of PTO, vacation and/or sick days based on your policies relating to positions and longevity.
- Your benefits are correct. After a pay raise, update your benefits administrator for life, disability and workers compensation since they are usually based on wages paid. Make sure employees are only getting the benefits they pay for, such as single versus family health.

9. Anti-Virus Software

Lots of bad stuff is still out there to infect and destroy your hard work so be sure your virus protection software is current on both servers and workstations. Remember too that businesses are better served by a server version of anti-virus software that pushes out the updates to any workstations, including laptops, on the system.

Like a tune up of your car's engine, this tune up of your business and processes should become at least an annual event. Once you're tuned up, you will be well prepared to focus on your business as the economy helps fuel growth and opportunity. n

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