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ACCOUNTING & AUDIT

2020 Review of Small Business Accounting Systems

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Mary Girsch-Bock • Jul. 14, 2020



As of the beginning of 2020, there were more than 30 million small businesses operating in the U.S. While no one knows the true impact that COVID-19 will have on small businesses in the long-term, the fact is that small businesses are a primary driver for the economy and will continue to be one, even after the crisis has passed.

Whether your small business client works solo, freelances, or has serious growth plans, the one thing all of these businesses need is accounting software. Nothing like its predecessors, today's small business accounting software is just as suitable for the one-person operation as it is for the business with 25 employees and growing.

Designed to be user-friendly and cloud-accessible in most cases, these applications no longer require expensive hardware and even non-accountants will find it easy to enter financial transactions and run reports. Even those requiring installation can usually be downloaded from the vendor's website, eliminating installation from a CD entirely. These reviews will be especially useful for advising small businesses who have not used accounting software previously or are considering switching from one small business program to another.

Still not convinced? Here are a few other advantages to having your small business clients use accounting software:

- **Reduced errors.** This is a big one. If you're tired of trying to decipher multiple ledger accounts and spreadsheet transactions that don't make any sense, convince your client to use accounting software. In most cases, they will be able to share their data with you electronically, or you can just sign into the application and access it yourself. Either way, the workload and the number of errors drop for both of you.
- **Accurate reports.** Using manual accounting systems, reports are only as accurate as the numbers entered into the ledger. However, even if the numbers are entered right in the ledger, that's no guarantee that the numbers will be reflected properly in financial statements. Yes, it's true that your client can certainly enter data inaccurately into a software application, but the odds of that happening are much less than the odds of transposing numbers in a spreadsheet, or adding the numbers wrong from a ledger.
- **Easier access to company finances for both of you.** Cloud accounting software is extremely easy to use and even easier to access. Both you and your client can have access to company data from anywhere, at any time. You can't beat that.
- **Flexibility.** There are numerous add-on modules that can be added to just about any accounting software application. Need to manage business expenses? How

about inventory? There's an app for that.

The products reviewed in this issue are designed for small businesses with between 1 and 100 employees. They vary widely in features and functionality, but they all offer a better option than manually tracking financial transactions.

The products included in this review are:

- [AccountantsWorld Accounting Power](#)
- [AccountingSuite](#)
- [Acclivity AccountEdge](#)
- [Cougar Mountain Denali](#)
- [FreshBooks](#)
- [QuickBooks Online](#)
- [RedWing Centerpoint](#)
- [Sage Business Cloud Accounting](#)
- [Xero](#)

We also looked at [Sage Intacct](#), which is generally designed for mid-market and larger entities, and [Invoiced](#), a program for automating receivables.

In our reviews, we examined a variety of features in each of these applications, including:

Core Accounting Features – This category is one of the most important, with core accounting capability including GL, AP, and AR functionality.

Relationship Management – If you need to track customers, this is an important area for you.

Cloud Capabilities – Can you access the application at any time? What about other cloud functions such as online bill payment, mobile apps, and electronic banking?

Management Features – Particularly important for growing businesses, we looked at features such as dashboards, business analytics, and management reporting availability.

Tech Issues – Integration with other applications may be of importance to you and your client. Is the product able to integrate with other applications? Can you easily import or export data?

Help/Support – In this area we looked at the various help and support options available in the application. Are there wizards available? Can you get answers to questions easily? Are the user manuals or other tools readily available to help new users?

If you're not sure where to start, why not download a few of the demos that many of the applications offer and have your client try them out to see if they fit. So, no more excuses. Get started today, and find an application that will work for both you and your client.

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