

## Choosing a Bookkeeping Solution

### Step 1: Determine skill requirements

(The chart below is offered as a general guide to creating a job description.)

Basic Bookkeeping	Advanced Bookkeeping	Accounting	Finance
Recording basic daily transactions such as: -Receipts & Deposits -Disbursements -Vendor bills & credits -Customer invoices, credits and statements	Recording more complex transactions such as: -Payroll -Credit card activity -Journal entries -Inventory -Project/Job costing -Estimates -Purchase orders -Allocation by profit center -Bank and credit card account reconciliation	Handling accounting functions such as: -Processing payroll -Maintaining fixed asset schedules -Inventory valuation -Work-in-process Accounting -Overhead allocations -Cost of good/ services accounting -Tax reporting (sales & use, gross receipts, 1099, payroll taxes) -Interfacing with a point of sale system -Internally prepared financial statements	Handling other financial and managerial activities such as: -Budgeting -Projections -Cash flow analysis -Financing -Tax preparation or interfacing with your CPA
Job titles may include: -Data Entry Clerk -Payables and/or Receivables Clerk -Entry Level Bookkeeper -Bookkeeper	Job titles may include: -Bookkeeper -Senior Bookkeeper -Full charge Bookkeeper -Junior Accountant -Office Manager	Job titles may include: -Office Manager -Staff Accountant -Accountant -Payroll Accountant -Senior Accountant	Job titles may include: -Accounting Manager -Director of Finance and/or Accounting -Chief Finance Officer
Education required: -High School -Associates Degree  Training/experience: -None	Education required: -High School -Associates or Bachelor Degree  Training/experience: -Bookkeeping courses -Some college accounting courses -Prior bookkeeping experience	Education required: -Bachelor Degree  Training/experience: -4 or more college accounting courses -Prior bookkeeping or accounting experience	Education required: -Bachelor Degree in Accounting or Finance  Training/experience: -Prior accounting and finance experience
No supervisory duties	Minimal supervisory duties	Often includes supervisory duties	Includes supervision of accounting and/or administrative staff

### Step 2: Determine time and frequency needs

\_\_\_ Once a month - after the fact (Number of days \_\_\_ /hours \_\_\_) *You handle the invoicing, receipts and disbursements but need someone to record the transactions and create financial statements.*

\_\_\_ Twice a month (Number of days \_\_\_ /hours \_\_\_)

\_\_\_ Every other week (Number of days \_\_\_ /hours \_\_\_)

\_\_\_ Every Week (Number of days \_\_\_ / hours \_\_\_)

✓ **Customer recommended.** ✓ **CPA approved.**

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### Step 3: Consider your future needs

Is your business:

- Stable - 3 to 4% annual growth  
 Expanding - 5% or higher annual growth  
 Seeking to merge or be acquired

### Step 4: List other job requirements such as industry experience, willingness to travel, additional duties

(examples: administrative, sales, marketing), unusual hours, etc...

### Step 5: Evaluate the solutions

	Have your CPA do the bookkeeping	Hire, train and manage an employee	Hire and manage an independent bookkeeper (1099)	Outsource to a Professional Bookkeeping Service
Is it easy to get started?	Yes	No	No	Yes
Will I have service options?	Maybe	No	Maybe	Yes
Will my sensitive information be adequately protected?	Yes	Maybe	Maybe	Yes
Can I have real time access to my books?	Maybe	Yes	Maybe	Yes
Will my reports be easy to understand?	Maybe	Maybe	Maybe	Yes
Will it be easy to get my questions answered?	Maybe	Maybe	Maybe	Yes
Is small business bookkeeping their area of expertise?	No	Maybe	Maybe	Yes
As my business grows, will they be able to meet my needs?	Maybe	Maybe	Maybe	Yes

### Step 6: Investigate

After selecting the option(s) best suited to your needs, use the information above to begin your investigation.

- Discuss your needs with prospects.
- Ask for and carefully question references.
- Compare the value and benefits the prospect offers, not just the cost.
- Consider the difficulty and expense involved to discontinue or change should it not work as well as expected.
- List the benefits and limitations on paper. It often makes the best choice stand out.

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