Helpful Accounting Apps and Software

We're rapidly moving away from being able to carry out computer-related tasks solely at our desks. If you own a smartphone or tablet computer, you may be surprised at the wide array of accounting and other tasks you can perform away from your desk. This can mean recapturing lost moments during the day while you wait in line or for meetings or appointments.

Most of the apps we discuss here are only available on Apple's iOS platform and Google's Android platform. You'll be able to find many of these in the App Store or Google Play, respectively. However, some are web-based, meaning you can access them from any internet-connected device.

Accounting Software Apps

Depending on your business needs and personal preferences, you might want to keep your accounting records at your fingertips. With some accounting software, you can download an *app* that enables you to create or review transactions on the fly from a mobile device. Essentially, accounting software apps are extensions of the desktop- or cloud-based programs you access through your mobile device. The amount of actual work you can do depends on the size of your screen as well as whether or not you have internet access.

DEFINITION

App is an abbreviation of *application*. Typically, app refers to applications or programs you install on mobile devices such as smartphones or tablet computers. However, the term is slowly spreading to other platforms, such as apps you can install on your computers or within other programs, like QuickBooks Online or Microsoft Excel 2013 and later.

One way to look at the functionality offered by accounting software is to think of a funnel. Desktop versions of accounting software represent the widest part of the funnel, and by far, they offer the most functionality. Cloud-based accounting software, such as QuickBooks Online, are in the middle of the funnel, with dramatically fewer features. Presently, apps are at the narrow tip of the funnel, with only a small fraction of the features offered by desktop accounting software.

Over time, apps and cloud-based accounting software will become more robust, but so far, the pace of new features has been slow.

Most desktop accounting packages don't have an associated app. This is due to the inherent limitations of keeping your records synchronized. At one point, a couple firms offered apps that purported to allow mobile access to desktop-based versions of QuickBooks, but these are no longer on the market.

The necessity of keeping your records synchronized everywhere you might access them is why cloud-based accounting programs tend to be most likely to have associated apps.

Some popular cloud-based accounting programs that offer mobile apps include the following:

- QuickBooks Online
- Xero
- FreshBooks
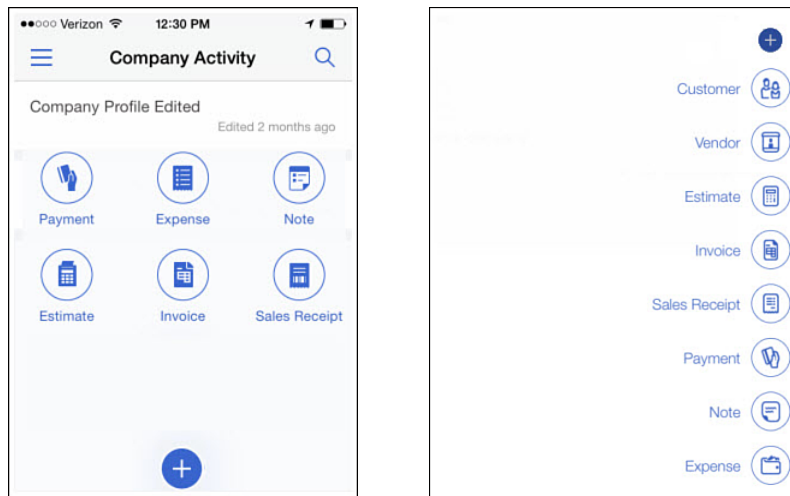
You can use the QuickBooks Online app on your phone (iPhone, left) or tablet (iPad, right), but the feature set is noticeably small.

For some online accounting providers and different types of apps, you can use your device's web browser to navigate to the provider's website and download apps directly from there. Or you can go to the app store for your device and search for apps in the desired category, such as accounting.
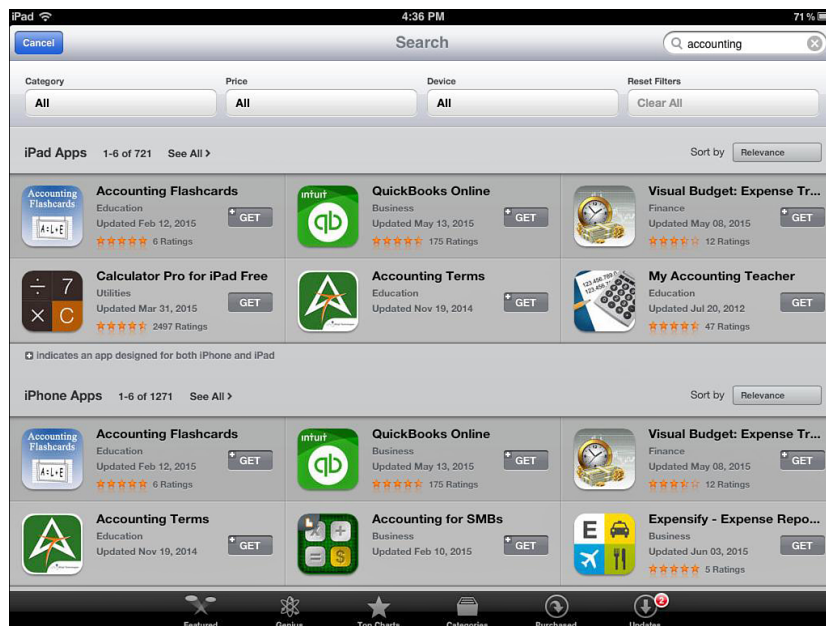
Search your device's app store for accounting and other apps.

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In addition, many of the cloud-based accounting services integrate with apps from other online services and apps. For example, as of this writing, Xero integrates with more than 400 other business apps.

Banking Apps

Chances are good your bank offers a mobile app from which you can easily monitor your bank balance as well as any recent activity. It's imperative to keep a close eye on your bank balance in this era of rampant hacking and identity theft. The sooner you notice and report fraudulent activity in your account, the better your odds are of recouping stolen funds.

Banking apps increasingly enable you to perform activities that weren't previously possible remotely. For example, many enable you to deposit checks (below a certain dollar value) via mobile. You enter the deposit information, use the camera to take pictures of the front and back of your signed check, and submit them to your bank with the tap of a button. You even can set up preferences so you receive an email message to confirm the deposit was successful. Avoiding a trip to the bank to make small deposits saves a great deal of time and frees you for other, more urgent business tasks.

A quick look at your bank's website should inform you if it offers an app you can use to monitor your transaction activity and perhaps even pay bills on the fly. Or you can search your device's app store for your bank's name to locate an app.

ACCOUNTING HACK

If your business receives a significant number of checks on a daily or weekly basis, you can usually rent or purchase an automatic check scanner from your bank. This small device enables you to deposit checks from your desk, although you'll still need to post the deposits into your accounting software. Fees vary for this service, but expect to pay at least $50 a month.

Productivity Apps

Some apps we'll call productivity apps don't necessarily pertain directly to accounting, but they can be helpful in tracking information you might later need to feed into your accounting system. Some of these apps assist with note-taking and other aspects of time- and information-management that can make a business owner more organized and, therefore, successful.

As you might guess, there are a seemingly unlimited number of apps available to make your life easier. The trick is to sort through them and find the tools that are really going to be effective for you. Talk with people you know, people in businesses like yours, and ask them what they've tried and what works for them. Also read the app reviews to learn if the apps really do what they say they will do.

Scanning Apps

It's critical that you maintain good records for your business, not only to substantiate your accounting records, but to support your tax deductions as well.

You might find that you simply snap a photo of a receipt with your smartphone and email it to yourself, but scanning apps such as TurboScan (turboscanapp.com) give you much greater control over managing copies of documents. You can specify the size of the image, make edits and annotations in some cases, and sometimes even stitch together multiple scans into a single document.

Evernote

One way to look at Evernote (evernote.com) is as an online filing cabinet. A basic account with Evernote is free, and even with the free account, you can upload up to 60 megabytes (MB) per month of documents. If you assume a scanned page in PDF form is 100 kilobytes (KB) in size, that's 600 pages of business documents you can archive per month.

Paying a small annual fee raises that limit to 1 gigabyte (GB) per month, or 10,000,000 pages, while a slightly higher annual fee gives you unlimited uploading capabilities.

The premium tiers of Evernote allow you to search PDFs and other documents, which means that, in effect, you can throw everything in one big online bin because you'll be able to easily locate it by searching later. Of course you're also free to organize your documents into categories and folders if you choose to.

Types of documents you might want to scan into Evernote to save for future reference include contracts, business cards, photographs, receipts, meeting notes, and print articles.

BOTTOM LINE

Evernote has partnered with Fujitsu to offer a scanner that integrates directly with the Evernote service. This gives you the easiest way to archive your business documents online, but the Evernote software you install on your computer can automatically push scanned documents to the cloud as well.

Scanning your documents and storing them online in Evernote is an easy way to stay compliant with record retention requirements while not having to buy ever more filing cabinets to keep up with your paper records. Further, paper records can be subject to all sorts of catastrophes, such as fire, flood, insects/rodents, theft, or accidental discarding. Saving documents in the cloud isn't without its own special set of risks, but it certainly removes many of the physical hazards that can affect paper records.

You can get information into Evernote in multiple ways:

- Scanning and uploading
- Manually uploading through the Evernote website or desktop software

- Emailing documents to Evernote (Evernote provides a private email address, which means you could use established rules or filters in your email software to automatically archive electronic receipts and statements.)

Evernote also offers a mobile app (available in both Apple's App Store and Google Play) that keeps your entire electronic filing cabinet at your fingertips wherever you are. Once you locate a document, you can easily email it to yourself or another party, enabling you to take care of yet another pesky task while you're out and about instead of accumulating loose-end items to handle when you get back to your desk.
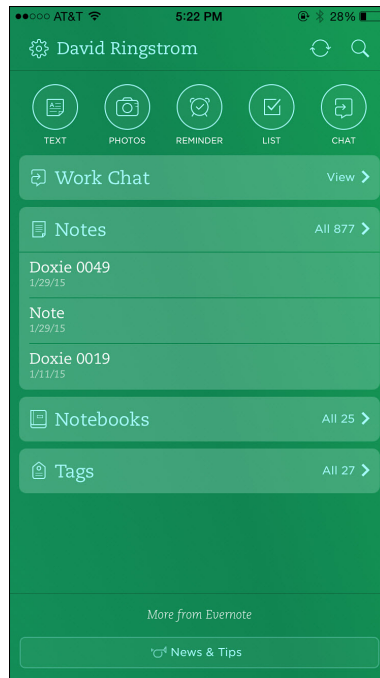

The Evernote app allows you to locate, view, and even email documents
from wherever you happen to be.

Receipt Tracking

It's often hard enough to keep track of receipts for purchases when you're working in your hometown, but add in the hassle of being on the road, and it's easy for deductible or reimbursable expenses to get lost or misplaced.

An app such as Expensify (expensify.com) or Concur (concur.com) streamlines the process of developing expense reports. You can manually add expenses as you go, or snap a picture of receipts to ensure you have documentation to support your own records, as well as a reimbursement request if you're traveling on someone else's dime.
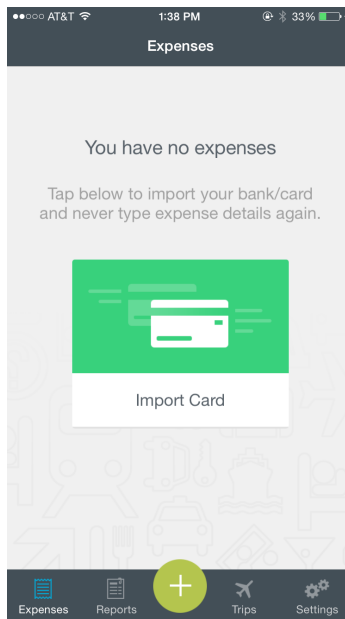

Business owners and employees can use an app like Expensify to handle receipt and expense tracking.

PayPal

PayPal's mobile app lets you work with your PayPal account via your smartphone or tablet. You can send and receive money, view transactions, and see prior activity. You can even add a magnetic card swipe reader that plugs directly into your device to accept payments while on the road. If your business uses PayPal (paypal.com), this makes it possible to do business anywhere you have a mobile signal or wireless connection.

Competitors to PayPal you might consider include Stripe (stripe.com) and Square (squareup.com).
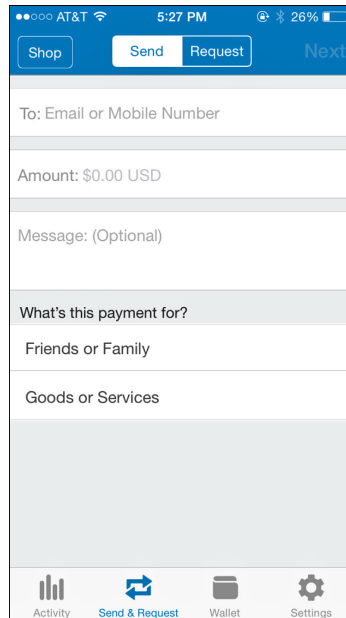
The PayPal app allows you to monitor your account balance, send and receive funds, and transfer money to your bank account.

BOTTOM LINE

When you use a service such as PayPal in your business, you set it up as an account in your accounting software just like any other bank account. When you transfer money you've received from customers via PayPal from the PayPal account to your bank account, you enter a corresponding transfer transaction between accounts in your software. Note that just like when you accept credit cards in your business, there's a small fee associated with passing money through PayPal.

Software Suites

You might be surprised to find that part of this book was written on a mobile phone. Early iterations of desktop productivity software such as Microsoft Word and Microsoft Excel were rudimentary and often not worth the space on your mobile device. We're pleased to report that such apps have matured to the point that they're highly usable tools now.

Being able to use your mobile device to perform a quick calculation in a spreadsheet or review a document that needs your attention can be liberating.

The latest iterations of Microsoft Excel, Word, and PowerPoint are free to use on Apple and Android devices, and they also integrate with Dropbox, a cloud-based storage service we'll discuss shortly. This can keep your desktop computer at your fingertips.

The free Microsoft Excel app allows you to review and make simple edits to spreadsheets while on the go.

Other Productivity Apps

Here's a quick sample of other online apps we like that you might find helpful:

WordPress (wordpress.com): Create your own blog or basic website with an easy learning curve.

WooCommerce (woocommerce.com): Sell your items on your WordPress site through this ecommerce plugin.

Squarespace (squarespace.com): Choose from many elegant templates to create your own website.

Shopify (shopify.com): Sell your products online through an online Shopify store.

JotForm (jotform.com): Create and publish professional-looking forms by choosing from thousands of templates or using your own creative genius.

Basecamp (basecamp.com): This project-management tool allows you to send and receive files, share discussion time, assign tasks, and check due dates.

WORK[etc] (worketc.com): This is a customer relationship management (CRM) tool, a project management tool, a billing tool, and a team collaboration tool all in one.

Mileage-Tracking Apps

In certain cases, you might be able to reimburse yourself for mileage when you use a personal vehicle to carry out aspects of your business. The standard mileage rate is published each year by the Internal Revenue Service (IRS). For 2015, the rate is 57.5¢ per mile. So if you drive 5,000 miles in a given year as part of your business, you could potentially reimburse yourself $2,875. Of course, mileage reimbursements are subject to close scrutiny by the IRS, so if you want to claim mileage reimbursement, be sure to document every mile.

You can do so on a paper log, but mobile apps such as Mileage Tracker (m.softmimo.com/mileagetracker.html) for Android or MileIQ (mileiq.com) for Apple devices may make things easier for you.

BOTTOM LINE

On your smartphone, MileIQ can use your phone's GPS to automatically log your trips, if you enable this option.

Password-Management Apps

No matter whether you're managing your books on your desktop or in the cloud, you'll still have a plethora of passwords to manage. Long gone are the days of being able to pick one password for all sites. No matter how complex or unguessable you think your password is, the reality is that online systems get hacked daily, with thousands or even millions of passwords getting stolen. You're using technology to manage many other aspects of your business, so let it help you manage your online personas, as well.

Humans are creatures of habit, and even if you try to use variations on the same password for various sites, anyone with a bit of social engineering skills will be able to suss out your pattern and access your financial accounts, social media accounts, accounting software, and any number of other online resources fairly easily.

Apps such as LastPass (lastpass.com) and Dashlane (dashlane.com) make it easy to create unique, tough to crack, and impossible to memorize passwords for every online site you visit. The key to this vault is one "super" password you use to access the app itself.
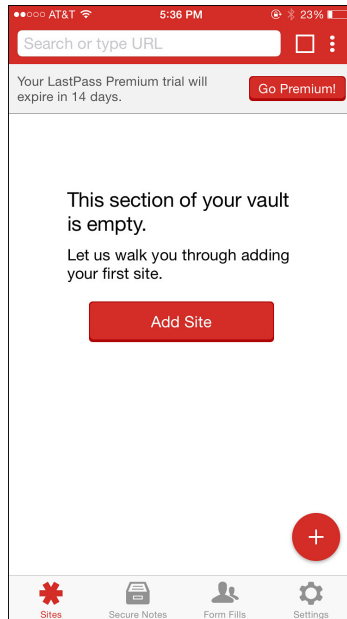
Free yourself from juggling multiple, often insecure, passwords with a password vault app such as LastPass.

Cloud-Based Storage

Cloud-based storage enables you to synchronize copies of files on your local computer with not only a remote server, but also your other computers and devices. One popular service is Dropbox (dropbox.com); others include Box (box.com), Google Drive (drive.google.com), and Microsoft's OneDrive service (onedrive.live.com). Each offers a free basic plan, with different price points and storage capabilities for upgraded plans.

But what's inescapable is the fact that having your data backed up offsite is invaluable, particularly when it comes to your accounting records.

Cloud-based storage services don't back up your entire hard drive—we discuss options for that in a moment. But let's say you're using Dropbox. Once you set up an account and install the software on your computer, you'll gain a Dropbox folder within the primary Documents folder on your computer. Any files you save in this folder are immediately synchronized to the cloud when your computer is connected to the internet.

One of the best ways to manage risk with your accounting data and records is to not keep your only copy on your local computer, so the set-and-forget nature of cloud-based drives offers peace of mind. Further, you can seamlessly move between devices as you work instead of having to move files between computers via flash drive, or experience that sinking feeling that the document you need is back at home when you're away.

Cloud-based drives also offer version control and the capability to recover deleted files. Let's say you're working on an Excel spreadsheet. When saving the spreadsheet, you accidentally overwrite another file. With a cloud-based service, you can log in to the website, search for the document in question, and view a list of previous versions of the document. You can then replace the overwritten file on your computer with a previous copy from the cloud, or save the archived file with a new name. This level of protection extends to files you accidentally delete from your local computer as well.

Perhaps one of the best uses for cloud-based computing is as a remote backup for your desktop-based accounting software. Programs such as QuickBooks and Sage 50 allow you to schedule unattended backups so you don't have to manually remember to back up your data. If you configure these unattended backups to place the resulting backup files into your Dropbox, Google Drive, OneDrive, or other cloud-linked folder, you'll have accounting software backups that leave the building on their own.

BOTTOM LINE

Before the rise of the cloud, we had to resort to numerous ways of trying to keep our books backed up, and many of us have much better things to do than wait for accounting software to back up our records onto removable media or an external hard drive. This isn't to say you shouldn't also back up your data onto such devices. The more backups you have, the more insurance you have against something going awry with your books. This also ensures that you if receive a request from the government for a payroll tax return you filed 3 years ago, you'll have an easy way to retrieve the records.

Cloud-Based Backup Services

Cloud-based storage services are rather useful, but they aren't an end-all solution for backing up your entire computer. Both the Windows and Apple operating systems offer built-in backup features you can and should take advantage of. As we discuss in Chapter 15, backing up your computer regularly is one of the best ways to minimize risk of loss of your accounting records and other information.

External hard drives are a popular means of backing up data, and you can purchase a 5 terabyte (TB) drive for less than $150. That's a staggering amount of information in the palm of your hand, and it would likely house enough information to back up your entire computer hard drive several times over.

Physical devices are subject to many of the same risks as paper-based documents, plus other unique issues:

- Mechanical failure

- Damage by fire, flood, or accidental drops

- Theft

The list can go on and on. It's important to have more than one way of backing up your data. A good multilayer approach involves backups locally to an external hard drive, along with backups to a cloud-based storage service like those discussed earlier, and finally an online backup service such as Carbonite (carbonite.com) or Mozy (mozy.com). Both Carbonite and Mozy, among others, are subscription-based services you can set to automatically back up your entire computer in real time as long as it's connected to the internet. This provides a way of having your data backed up in a data center most likely in another geographical state.

BOTTOM LINE
Remote backups must be a key element of your disaster-recovery considerations.

Both Carbonite and Mozy offer smartphone apps, which means you can easily monitor and access documents from your computers from anywhere you might be. However, one of the best aspects of these services is that if your computer is lost, stolen, or encounters a mechanical failure, you can use these services to automatically download all your software and documents onto your replacement computer. Depending on the amount of data you store online and the speed of your internet connection, it might take a couple of days for everything to download back to your computer. However, this provides a set-and-forget means of ensuring that your data is being backed up.

Remote Access

If you opt for one of the cloud-based accounting programs we discuss in Chapter 3, you already have built-in remote access to your accounting records. However, if cloud-based accounting isn't for you at this point, you still might want to be able to access your accounting records remotely. Or you might have employees or an accountant who needs remote access to your data.

There are numerous ways you can connect to your books remotely. Most recent versions of Microsoft Windows offer a built-in Remote Desktop Connection program that allows you to control just about any computer anywhere. However, this can require fiddling with settings on your computer and potentially your firewall device or software.

Other alternatives include subscription-based services such as GoToMyPC (gotomypc.com/remote-access) and LogMeIn (secure.logmein.com), among others. Both offer smartphone apps, but you might not find it practical to access your accounting computer via such a tiny screen except under the most urgent of circumstances. The apps do allow you to pinch and zoom into an area of your screen, but even that might be an exercise in frustration. Fortunately, these services also allow you to access your computer from any internet-connected computer or device.

Although these services entail a monthly or annual fee, you can be up and running with remote access to your computer in minutes without any technical know-how.