Radio Days – 2013-05-25

Tip of the Week – Old Anti-Virus Programs

I have spoken in the past about using an old version of your anti-virus program. This week I came across a client who was using an old version of AVG. They had not noticed that their program was the 2012 version: there had been no notification that AVG should be updated to the latest version. This is the major reason that I have stopped using and recommending AVG.

I have noticed that AVG updates are released towards the end of the year, from memory around October or November. The name always includes the year, so the current version is AVG 2013. In six months or so the new version will, of course, be AVG 2014. If you are still using AVG in six months' time then please remember to update your copy.

Updating AVG Free is easy: just go to the website and download the update. The new version will be installed over the old one and it only takes about five mouse clicks. If you are using the full version of AVG you will be reminded to renew your subscription each year. There is no problem there.

The free anti-virus programs that I know are better than no anti-virus but there are better ways to protect your computer and its valuable data. There are two well-recognised websites which show the results of tests run against a number of anti-virus programs. These two websites are *AV Comparatives* and *AV Test*: their details are given at the end of this article. There is no one program which blitzes every test, so there is no one program which will be the best for all users.

There is one program, however, which usually comes towards the top of the table for both testing companies and for many of the tests, and that program is Kaspersky. This program is the one which I am now using as I feel that the days of the free anti-virus programs are numbered. The number of new viruses and other threats which appear daily on the internet is massive and increasing all the time. The anti-virus companies need money to be able to keep ahead of all these threats so, in my opinion, it is false economy to continue to use one of the free AV programs at this time.

It is for this reason that I now recommend that you use a good anti-virus program for which you have paid. Currently the prices are low enough that it costs less than a dollar a week for many of the best programs. The cost of getting a virus removed from your computer is at least $100: this is more than the equivalent of two years' cost of a good anti-virus program.

You also risk losing access to all your data or even losing your identity to a hacker. This sort of problem can take years to sort out while you spend your time worrying.

Please remember that a good anti-virus program may well save you from identity theft or the loss of all your data. This last problem is especially valid for those people who do not have a regular backup routine which is known to save all your important data.

Are you taking your computer's security, and the security of your data, as seriously as I think you should? For too many people the process seems to be *It could never happen to me!*

Bookkeeping with QuickBooks

During the week I had two clients who had problems with QuickBooks. One of these clients has been using QuickBooks for over two years and the other is just learning. Both of these two bookkeepers are still feeling lost because there always seems to be so much to remember. Because of the pressure which each person has there is a lot of angst in the office.

What neither person has worked out yet is that, at its heart, bookkeeping is very simple, with but a few key concepts. These key concepts are easy to understand once you have worked out just what a bookkeeper has to do.

Concepts

The most important concept to help you understand bookkeeping is that you are recording all the transactions which occur in the business. There are many transactions in even a small business so it is important to keep up with the flow of the work. For some small businesses there is just a few hours' work each week; for others there

Many of these transactions are generated by the business whose transactions you are recording: these transactions are the invoices which the business generates for its customers and the payments which it makes to its suppliers. The other transactions are those generated outside the business: these transactions are the invoices generated by its suppliers and the payments made by its customers

Already I hope that you can see a symmetry in this process: invoices generated and payments made.

This is all that there is to remember about bookkeeping!

Entering Data

When you have collected all the forms you must enter them into your bookkeeping program. This process is, at heart, very simple: the main requirement is that you enter each transaction correctly. I had a call during the week from a client who could not see a transaction on one of her reports. She had spoken to her accountant who had suggested that the date on the payment was wrong; however, after correcting the date on the payment the transaction was still not displayed on her report.

There was still the minor problem, and it turned out that the date on the invoice was wrong. All this hassle was caused by one digit (in the year: he had entered "2012" instead of "2013") and took some hours to solve.

I hope that you can now see just how important your work is for the financial success of your efforts!

What to Enter

One of the questions which I get often is just what to enter. Once you understand what needs to be recorded the real answer is: *Use your common sense!*

Far too many people are too cavalier in their attitude towards the data which they enter so they just enter the first thing which enters their mind. Other people, in contrast, are trying too hard to get everything right. Then there are those people who obsess about getting one or two insignificant pieces of data absolutely correct while ignoring the most important pieces like the date, the amount and the account.

The data that you enter is vital to the success of the business that you are there to serve.

I have seen some businesses where there are many vehicles, and they all need fuel. Because of the type of work done by this business there were many service stations which the employees used to refuel their vehicles. The bookkeeper had entered each of these service stations, some more than once with slightly different spellings because he did not watch the screen as he typed.

I created a new supplier called *Fuel* and renamed all the other fuel suppliers to *Fuel* so that it was easier for him to enter his data. It also made life easier when he was looking for other suppliers: there was so much less clutter in the supplier list!

This process is much easier in QuickBooks than in MYOB: again, this is one of the reasons why I recommend QuickBooks to my clients. It is easy to merge names in QuickBooks so I suggest that you have more than you need for this reason.

When to Enter

A mistake made by far too many bookkeepers is to enter all their transactions from the bank statement. The bank statement is the bank's opinion of what happened, and has been shown to be wrong on many occasions.

I remember a job that I had last century. I was teaching people how to use QuickBooks and had suggested that all the participants started using their copy of QuickBooks to keep track of their personal finances so that they could get practice entering transactions and doing all the other jobs that a bookkeeper has to do.

One student came in to class one morning full of excitement. She had taken my advice and had kept her personal finances on her computer for the duration of the class. She had done her bank reconciliation and had noticed that the bank had made a major mistake in one transaction. Because she had done the sort of work that I had suggested she was better off.

She had paid $100 off her credit card and had a receipt from the bank to prove it. The bank employee had entered the transaction as a cash withdrawal and had also charged her a fee for the cash advance. She had gone to the bank and had these transactions reversed, so she was now over $200 better off than the bank stated.

This is why you should take care when doing your bookkeeping.

All your transactions should be entered from the original documents and entered as soon as possible after the paper arrives in your office. The longer that you wait to enter a transaction the greater the chance that it will either be missed or entered incorrectly.

The Paper Trail

You are also responsible for ensuring that every relevant piece of paper is handed in and kept. Examples of pieces of paper which are often missing are those small slips which are printed when you pay for your purchases using a credit or debit card.

If your business is ever audited by the Australian Tax Office (ATO) then you will need to be able to justify every expense right down to that last litre of milk for coffee for your visitors. If you cannot produce that piece of paper on demand then you will have to submit a revised tax return. If there are too many of these missing pieces of paper then you will have a reputation for bad record keeping and you can expect to be audited again and again until your record keeping is up to a standard that the ATO expects.

Do you want to be responsible for this?

Further Information

AVG Free	www.avgfree.com.au
Avast	www.avast.com
Microsoft Security Essentials	www.microsoft.com/mse
Kaspersky	www.kaspersky.com
AV Comparatives	www.av-comparatives.org
AV Test	www.av-test.org