



By The Numbers

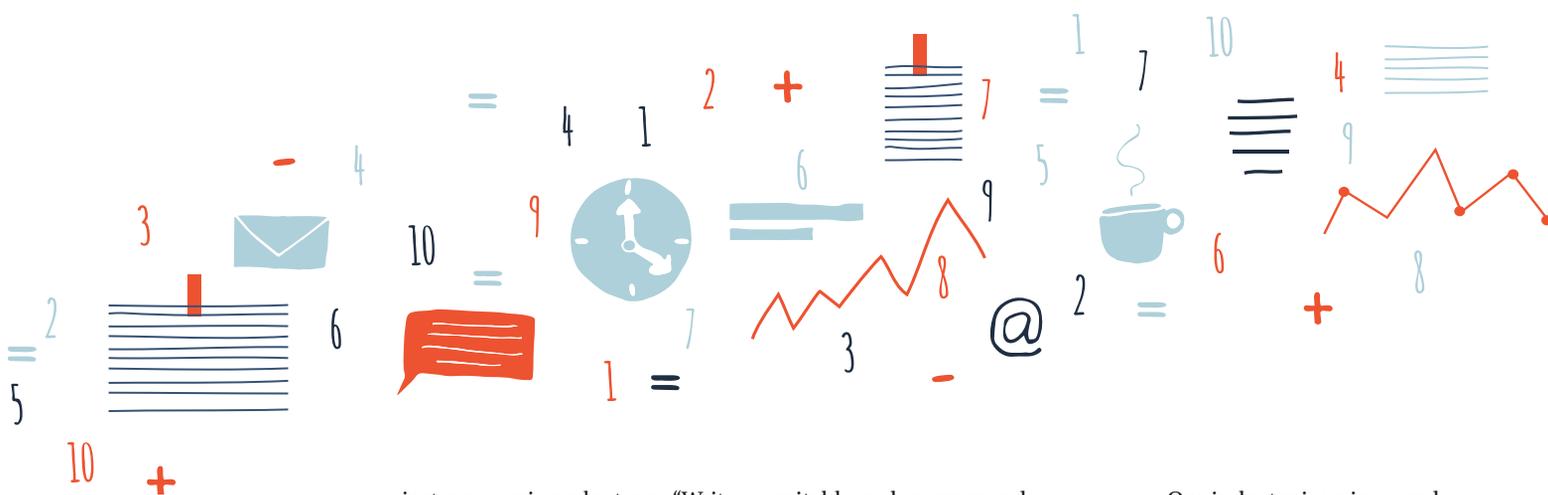
Seven Questions To Ask When Hiring A QuickBooks Bookkeeper
by Harriet Gatter

The promotional products distributor business is unique and complex, so finding a bookkeeper with the right kind of experience can be a challenge. Selecting the wrong person to enter and maintain your financial and order management data can be stressful and expensive. I have seen the frustration and confusion that results when information is

inconsistently entered over time.

Hiring a quality bookkeeper to manage your QuickBooks program can and will make your business more efficient and allow you more time to grow your company and pursue other interests. To ensure you are hiring or contracting a professional with the right experience, ask the following questions of your candidates:

1 What is your experience with accounting software products? I have heard bookkeepers say something along the lines of “All accounting software is the same,” or “Accounting is accounting, and it doesn’t matter what software you use.” That is not true. QuickBooks is designed for use by accountants and non-accountants alike. It has a structure within which to work. For



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instance, paying sales tax as “Write Checks” instead of paying it within the structure of the “Manage Sales Tax” icon in QuickBooks Premier creates immense problems, as payments will not be applied correctly. You need to know how QuickBooks works to accurately record transactions in it.

Has the candidate worked exclusively in QuickBooks or in multiple software packages? You would be better served with someone who knows QuickBooks in-depth, not someone who has only a surface knowledge of the program. Distributors’ transactions are too complicated for that.

2 What is your experience in using QuickBooks?

Merely knowing that a candidate has experience in QuickBooks is not enough. QuickBooks offers a variety of products, including three desktop versions and an online version. The desktop products are Pro, Premier and Enterprise, all of which are relatively similar. Each one builds upon the other. Pro is the most basic and Enterprise is the most robust. If your candidate is experienced in one of these, he or she will have some experience relative to them all.

For our industry, I find the desktop products to be more

suitable and recommend Premier most often.

QuickBooks Online is a totally different product. It is as Greek is to Latin—both are ancient languages, but unrecognizable to the other. It is highly unlikely that someone who knows QuickBooks Online can automatically work in QuickBooks Premier, and vice versa.

If you’re not sure which QuickBooks version you have (as my clients often are), it’s written on the top tab of your screen when your QuickBooks is open.

3 In what types of businesses have you worked?

Some types of experience are better than others, and some might be irrelevant. One such example of irrelevant experience would be a service industry job such as an accounting firm, like my current business. The accounting work I do today is much simpler than when I was a promotional products distributor. Now, as a service business, most of my transactions involve only an invoice with service items. As a distributor, my transactions included customer sales orders, supplier purchase orders, cost of goods sold, adjustments to the supplier purchase order and supplier invoice, and creating a bill for the supplier.

Our industry is unique and complex, so you need to ask your candidate to detail the steps of the business in which they have experience and judge for yourself if their experience is relevant or not. For example: What is the step-by-step process you use to record and track your orders?

It might be helpful if you ask this question of yourself so you can compare their experience to what you would like them to manage for you.

4 What is your experience with sales tax?

If your business deals with sales tax, does your candidate have experience with its recording, reporting and filing? Is the experience within your state? All states are different, and sometimes the counties and cities within a state are different, causing additional accounting steps.

Having experience with sales tax is an asset. Having to learn it for the first time requires proper instruction because it is complicated.

Experience with sales tax and QuickBooks is an even greater asset. QuickBooks Premier includes a specific function, represented by a unique icon, to manage and record the payment of sales taxes. If sales tax is merely recorded under

the Write Checks icon, this causes payments to be applied incorrectly. I see this error often, and it can be tedious and time-consuming to correct.

Recently I was working with a new bookkeeper and asked if he had worked with sales tax in QuickBooks before. He responded, “How hard can it be?” Wrong answer. We had some more training to do.

5 What is your experience with making journal entries? QuickBooks allows users to make journal entries for debits and credits, but it discourages their use. Instead, QuickBooks has a home page with a flow chart of the accounting functions (receive payments, enter bills, manage sales tax, etc), that is designed for data to be entered within this framework, and the debits and credits are created behind the scene.

Some accountants operate only with journal entries, which in the long term can be problematic when using QuickBooks. Ask your bookkeeping candidate about their use of journal entries. Minimal experience here is best as there are only a handful of transactions each year that require journal entries

(depreciation being one), but they are rarely used in QuickBooks.

6 What is your experience with non-inventory items?

One of the most frequent causes of confusion in the accounting function for distributors is non-inventory vs. inventory items. Most other businesses and industries record inventory items but distributors typically do not (confirm this with your CPA), which causes another accounting experience conflict.

In QuickBooks, the item type to be used is “Non-Inventory Part.” I have seen many a set of books thoroughly messed up by this confusion. Non-inventory items are recorded directly into the “Cost of Goods Sold” account. Conversely, inventory items are recorded into the balance sheet inventory account first, and not into the profit & loss statement until later. If this error is made, your financial statements will be wrong, and the fix is tedious and time-consuming.

Talk to your bookkeeping candidates about their experience with non-inventory items, and ask for an explanation of both non-inventory and inventory items to be sure they understand the distinction.

7 What is your experience with accrual accounting? (If applicable)

If your business is on an accrual basis instead of a cash basis, bills must be entered to correctly reflect your accounts payable account. Bills can also be created for a cash-based company, but it’s mandatory for accrual accounting. If this is an issue for you, ask bookkeeping candidates if they have worked with a company on an accrual basis.

I hope these tips will give you some specific criteria by which to judge a bookkeeping candidate. As you can see, some types of experience are better than others when it comes to accounting in the promotional products distributor business. **PPB**



Harriet Gatter, owner of Accounting Support, LLC, was a promotional products distributor for 23 years and an adjunct professor of accounting at Neumann University. She sold the business in 2012 and became certified as a QuickBooks ProAdvisor. She now works exclusively with distributors nationwide on their QuickBooks order management and accounting needs, often integrating with SAGE Online, and specializes in conversions from other systems such as ProfitMaker, SmartBooks, OrderMaster, or manual systems.

Check out her Video Tutorials and Reference Library Service to train new bookkeepers or distributors or act as a reference library for distributors at any point in their businesses.

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