

Radio Days – 2013-07-06

Discussion – New Financial Year

This is the first week of the new financial year so now is the time to start creating good habits (if you have fallen into bad ones over the years) or to learn how to run your business well (if you are just starting out).

There are a number of habits which I would suggest that you start using to assist you in your day-to-day work in your business.

Superannuation Guarantee Now 9.25%

This can mean many things, depending on what the government has done to change the ground under your feet. This year the only change in payroll is to increase Superannuation Guarantee Payments from 9% to 9.25% of each employee's standard weekly wage.

A standard weekly wage is the payment that you make each week for that employee. If your employee normally works overtime each Saturday morning (for example) then the payment for those hours is included in that employee's standard weekly wage. This means that, if your employee complains that there is no Superannuation Guarantee amount included for these standard overtime hours then you could be in for a major shock if he or she complains to the Fair Work Ombudsman.

The change in Superannuation Guarantee Payments from 9% to 9.25% is easy to make in both QuickBooks and MYOB if you know where to look. I suggest that you make the change if you have employees immediately (if you have not done so already) to ensure that you do not get caught out.

Accounting File

One thing which confounds everybody who is not aware of how accounting data is held on a computer is the subject of verifying your data file. Database files, like those used by both QuickBooks and MYOB, can become corrupt. This is most likely to occur if your computer is unable to complete a write request cleanly.

This corruption can be caused in a number of ways. The most common one which I met when I was repairing data files as an employee of MYOB was bad power. This bad power had a number of causes. Three which I remember in particular were:

- A client who sent her data file for repair twice in about three months. After the second file repair I asked her what sort of a business she worked in. She worked in the office of a chicken hatchery, and the office was only 200 metres from the factory. This meant that the electricity that was being supplied to the office was dirty because of the fans and heaters which were being switched on and off to keep the temperature in the hatching shed constant.
- Another client worked in the office of a metal fabrication company. Her file needed a repair on two occasions so again I rang her. It turned out that there was a lot of welding
- The next client's daughter had given her mother a plug-into-the-wall surge protector to keep her computer from being fried by lightning. This meant that MYOB reported that her file was corrupt because the surge protector was not sitting cleanly into the wall socket. I could find no problems in her data file so advised her to remove the surge protector. She did this and the problem disappeared.

An accounting data file which has been corrupted in this way may not show any problems for a long time. The time will come, however, when the problem becomes apparent: usually at the worst possible time.

It is for this reason that I suggest that you always check your data file every time that you end your session. If you find that your file is corrupt at this time you can always recover from your backup and re-enter all the data for that day.

This, of course, assumes that you have a backup!

Uninterruptible Power Supply

You can reduce the chances of the problem of corruption by using an Uninterruptible Power Supply (UPS). This is a device about the size of a shoe box which provides you with clean power using both electronics and a battery to boost a low voltage or to give you the time to save your work and close your computer down if you lose power completely.

The electronics have two functions:

- Stop any power surge from reaching your computer by clipping the power supply's output.
- Sending a signal to your computer to shut it down when power has been cut off for more than a minute or two.

The battery is used to top-up low voltage during a brown-out and to provide a few minutes of power so that your computer can be stopped in an orderly fashion.

These measures are designed to prevent damage to your data and, in the process, prevent damage to your computer as well.

Backup

As well as using a UPS to protect your data you should also have another copy of your data (or even more than one) which is stored away from your computer. This extra data is called a backup.

Backups are like insurance: you begrudge having to pay the premium and you also hope that you do not need them but, when disaster strikes, you are extremely glad when your backup comes to your rescue.

One of the perks (if I can call it that) of seeing people who have not done their backup when a backup is needed is the knowledge that I have done all that I can to encourage them to keep a copy of their data for the inevitable disaster. You can lead a horse to water but you cannot make it drink!

If you have not yet got a working backup which you use regularly then now, at the beginning of a new financial year, is the time to get your backup working. My favourite backup program, SyncBack, is one of the easiest to get working. The SE version also has an excellent feature: it can keep a number of versions of a file so that you can recover a good version of your accounting data file if you find that your current version has become corrupted early enough.

This is well worth the USD 35 that is charged.

Year-End Rollover

MYOB needs what is called a rollover to be performed every year so that you can continue to print reports. Far too many of my clients, and their accountants, do not heed the warning in the year-end screen to make a backup so that data deleted (or purged, to use MYOB's word) during the process is kept in another file.

I have often seen a MYOB data which has been used for years but it only has last year's data and this year's data. There is no other data to be seen anywhere: there are no backups on any disc so all previous year's data has just vanished into thin air.

I ensure that my clients have the current year as part of the file name (eg Easymix-2013.myo) so that, when the year ends, they can copy the file, change the name to Easymix-2014.myo and keep using the file secure in the knowledge that all their important data is available in the older data files.

Your tax office will love you!

Entering Dates

I have one client who regularly rings me because he cannot find transactions when he needs them, especially when he is doing his bank reconciliation. It always turns out that he has entered the missing transaction with the wrong date. This, especially with MYOB, means that the transaction is invisible in many screens.

All accounting software needs you to enter the correct date for each transaction. Everything is date driven, and getting the date wrong means that a transaction can go into a previously-closed period so not be included in any BAS. This could mean that you do not recover the GST from a purchase.

Please be especially careful when entering dates, especially in MYOB. MYOB often will not let you change a date: you must delete then re-enter the transaction to correct your error.

Further Information

Fair Work Australia www.fairwork.gov.au

SyncBack Free & SyncBack SE www.2brightsparks.com