

MYOB® Software

FOR

DUMMIES®

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Learn to:

- Manage your finances with ease using MYOB® AccountRight
- Shift your accounts to the cloud
- Automate transaction entry using bank feeds
- Utilise business reports to track your success

Veechi Curtis

Author of *Bookkeeping For Dummies*, *Small Business For Dummies* and *Creating a Business Plan For Dummies*



New Zealand Edition

MYOB[®]
Software

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by Veechi Curtis

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Introduction

Not many people will talk to you in the dead of night, listen without answering back, offer advice whenever asked, and not take up more than their fair share of the bed. It's these qualities (and many more besides) that make MYOB such a perfect companion.

I admit that reaching this comfortable state of cohabitation can take a while. Lots of people feel totally overwhelmed by MYOB at first but, fortunately, the sensation is always temporary. You can do it! I've taught MYOB to hundreds of people over the years and I'm yet to meet someone who hasn't gotten their head around the whole deal in the end.

In fact, it's often the very people who are the most unsure in the beginning who end up being the best bookkeepers. That's because being cautious pays off in the long run — it's a quality that brings great rewards when it comes to number-crunching. So, however anxious you feel, you can cast your cares to the wind. Be brave, be confident and read on.

About This Book

This book is a bit different from other books about MYOB, not least because this book is part of the *For Dummies* series. Dummies books aren't about thinking that you're a 'dummy' — far from it. What the Dummies series is all about is sharing a 'can-do' attitude and a fresh approach. I talk less about old-school ways of doing simple tasks, and more about how to get stuff done quickly and easily. Similarly, I tend to steer clear of pedantic explanations, and instead suggest that you adapt MYOB to work the way you do, depending on the kind of business you have.

I've written this book with the latest version of MYOB AccountRight in mind, including AccountRight Basics, AccountRight Standard, AccountRight Live, AccountRight Plus and AccountRight Premier. (This book doesn't include info about MYOB Essentials.) If you have AccountRight Basics or Standard, you may come across references to features that don't exist, such as inventory or payroll. I point out these differences wherever possible.

One more thing. Throughout this book you'll see *sidebars* — text that sits in a separate box with grey shading. Think of sidebars as the chocolate topping on your ice-cream: Nice to have, but not essential. Feel free to skip these bits.

Foolish Assumptions

Over the years, I've learnt to assume as little as possible. However, to write this book, I did have to make two small assumptions about you, the reader:

- ✓ Your knowledge of computers and how they work is a little more advanced than knowing where to find the on/off switch.
- ✓ You either plan to purchase MYOB software in the near future, or you already have MYOB software installed on your computer.

Icons Used in This Book

What use is a *For Dummies* book without the little icons pointing you in the right direction? Here's a brief description of the icons used in this book:



Want to be streets ahead of the competition? Then look for this handy icon.



You guessed it! This icon marks content relating to everyone's favourite topic — the beloved Goods and Services Tax.



This icon flags information about storing your company file in the cloud, and highlights both the pros and the cons of working in this way.



Don't forget these little pearls of wisdom. Remember, remember, remember!



The Technical Stuff icon highlights technical information not suitable for the faint-hearted.



Tips are the little ways to make life easier, including shortcuts and handy brainwaves.



This icon flags information specific to upgrading from one version of MYOB to another.



Every time you see a Warning icon, you can be sure I'm sharing a hard-earned lesson from personal experience!

Beyond the Book

I've written a few additional articles about MYOB-related topics that you can find at www.dummies.com/extras/myobsoftwarenz. In one article, I write about importing and exporting data, and in another I talk about tips to speed the way you work. A third article talks about payroll.

At www.dummies.com/extras/myobsoftwarenz you can also find a bonus Part of Tens list, which lists 10 perilous pitfalls — 10 things to avoid doing in MYOB if you want to keep both your hair and your sanity.

I like to think of my books as a conversation with readers, rather than a one-way monologue. If you have any comments, questions or feedback, I'd love to hear from you. Please feel free to email me at veechi@veechicurtis.com.au or visit my webpage at www.veechicurtis.com.au.

Where to Go From Here

MYOB Software For Dummies, New Zealand edition, is no great work of fiction (something that would be a tad tricky given the subject matter) and so doesn't require you to start at the beginning and follow through to the end. Instead, feel free to jump in and start reading from whatever section is most relevant to you:

- ✓ **New to MYOB and trying to get a company file set up from scratch?** I suggest you read Chapters 1, 2 and 3 to get your company file started. A clean start takes a bit of planning and, hopefully, these early chapters help you do just that.

- ✔ **New to MYOB but the company file is already up and running?** Maybe you're starting a new job and, although the business has been using MYOB for a while, you're new to the whole deal. In this situation, I suggest you start by reading the last half of Chapter 1 and all of Chapter 2 to familiarise yourself with the basics. Then browse through Chapter 4 to 8 to discover how to do everyday tasks.
- ✔ **Familiar with MYOB but you want to take advantage of new technology to do things faster?** Then head to Chapter 5 to read about bank feeds, Chapter 13 for info about electronic payments, Chapter 14 for advanced reporting, and Chapter 16 for how to shift to working in the cloud.
- ✔ **Want to know that your accounts are as clean as a whistle and your figures make sense?** Wonderful. Head to Chapter 9 to discover how to reconcile your bank account, Chapter 15 to check your codings and calculations, Chapter 17 to review your financial statements, and Chapter 18 to put your company file through the health check from hell.

Part I
The Building Blocks

getting started
with

MYOBB



Visit www.dummies.com for great (and free!) Dummies content online.

In this part ...

- ✓ Get familiar with MYOB and build a mental picture of the tasks that lie ahead, setting a plan of action into place.
- ✓ Discover how to set up accounts, and learn the difference between assets and liabilities, costs of sales and expenses.
- ✓ Add customers and suppliers, set up credit terms and keep your lists looking shipshape.
- ✓ Nurture your inner bean counter and get those opening balances spot on.

Chapter 1

Starting from Scratch

In This Chapter

- ▶ Drawing up an action plan
 - ▶ Navigating through the Easy Setup Assistant
 - ▶ Finding your way around — picking up the local lingo
 - ▶ Opening and closing your company file
 - ▶ Inviting other folk to join the party
-

MYOB transforms the usually quite technical process of bookkeeping into a relatively straightforward activity. Within a couple of hours of installing the software, you can be invoicing customers, entering bank transactions and looking at your profit.

In this chapter, I share my ideas about the best way to get started with MYOB, highlighting what's important (and ignoring what's not), and providing a bit of a road map so you can find your way around.

If you've recently purchased MYOB and you want to set up your first company file, I suggest you start from the beginning and read through the first half of this chapter, which explains what information you'll need, the best time to start, and the basics of setting up customers, suppliers and accounts.

If you're new to MYOB but a company file is already up and running — maybe you're starting a new job as a bookkeeper — I suggest you skip straight to the second half of this chapter. Start reading from the section 'Getting to Know Each Other', which explains how to find your way around MYOB.

Planning for What Lies Ahead

I've done literally hundreds of accounting software setups over the years, taking anything from 15 minutes to several days to complete the process. How long the setup for your business takes depends on the complexity of your business, the amount of time you've got on your hands and, last but not least, the kind of person you are.

Understanding what's involved

How many times have you volunteered for something without understanding what was really involved, and later lived to regret your actions? (To volunteer to become treasurer of our local soccer club was one such moment in my life.) With such innocence in mind, and because I don't want you to feel unhappy, I'm going to outline exactly what's involved with this whole MYOB caper:

1. Decide on a start date.

If you're not sure what your start date should be, skip to the sidebar 'When is the best time to start?', later in this chapter.

2. If you haven't done so already, install MYOB.

The only tricky question you may encounter during this process is whether you want to install the PC Edition or the Server Edition. Only choose the AccountRight Server Edition if you want other computers on your network to access your company files, or if you're installing AccountRight on Windows XP (versions 2014.4 and below).

3. Follow the prompts to complete the New Company File and Easy Setup Assistant interviews.

These interviews walk you through setting up your first MYOB company file and entering opening balances for accounts, customers and suppliers. See 'Creating your company file' and 'Introducing the Easy Setup Assistant' a little later in this chapter.

4. If you're new to MYOB, take the time to have a good old stickybeak.

In the thick of this chapter, in the section 'Getting to Know Each Other', I take you on a grand tour.

5. Go to the Accounts command centre area and click Accounts List. Customise this list to fit your business.

I always recommend tweaking your Accounts List to fit your business, adding accounts, changing account names or deleting accounts that you don't need. I explain how to add and edit accounts in Chapter 2, and to record opening balances in Chapter 3.



6. Sign up for bank feeds.

I talk lots more about bank feeds in Chapter 5, where I explain not only how to sign up for bank feeds, but also how bank feeds can cut data-entry time by up to 80 per cent. Bank feed applications can take up to 14 days for MYOB to approve, so I suggest you lodge your bank feed forms as soon as possible.

7. Invite others to work with you.

If you have employees who are going to work in MYOB, set them up with User IDs and passwords right from the start. Similarly, if you plan to work with your company file in the cloud, invite your accountant to join the fun. (I talk more about user roles later in this chapter in ‘Setting Up User Roles’.)

8. Enter some sales transactions.

If you create invoices to send to customers, recording sales is a great way to get to know MYOB. (I explain how to add customers in Chapter 2, how to enter opening balances in Chapter 3, and how to record sales in Chapter 4.)

9. Start designing your forms (invoices, purchase orders and so on).

Chapter 12 covers all you need to know.

10. Record a few expenses.

From the moment you start recording expenses, you can start looking at your profit and how business is faring. For more about recording expenses, see Chapters 5 and 6.

11. If you buy or sell items (rather than services), set up your inventory.

It’s strange, but inventory isn’t mentioned anywhere in the Easy Setup Assistant. Fear not. Progress to Chapter 10, read it faithfully, and set up your inventory before going any further.

12. If you have employees, set up payroll.

If you’re going to use payroll, you should do so from the very beginning of the payroll year (April). When you’ve completed the rest of your setup, hop to Chapter 11, which covers payroll in depth.

13. Decide whether or not you want to store your company file in the cloud.

For more about this momentous decision, see Chapter 16.

14. Decide on a backup system and put it in place.

Backing up is important, even if you’re planning to work in the cloud, so be sure to establish a backup system. See Chapter 16 to find out more.



Gathering your wits about you

You wouldn't set off to walk the Milford Track without water or food, would you? Nor should you attempt to set up MYOB without a couple of essentials close to hand. Here's what you need:

- ✔ **If you're setting up the books for an established business, the most recent set of tax returns or final accounts you have available:** Previous Profit & Loss reports and even tax returns come in handy, helping you to work out what accounts to include in your Accounts List.
- ✔ **Bank statements and credit card statements:** You need bank statements so that you can enter the opening balance of your bank account for the date that you start using MYOB. Depending on whether or not you already have bank feeds activated, you may also need bank statements as a reference for recording transactions.
- ✔ **A list of who owes you money:** It's always cheering when you realise that if everyone coughed up tomorrow, you'd actually be quite rich.
- ✔ **A list of everyone you owe money to:** If you intend to record supplier bills (I talk lots more about this decision in Chapter 8), make a list of everyone you owe money to.



TIP

When is the best time to start?

The very best time of year to start recording your accounts is the start of the financial year (that's 1 April for 99 per cent of New Zealand businesses). Even if April is long gone by the time you're ready to get started, it's still probably best to start by entering accounts from the beginning of that financial year.

Why? If you start on the first day of a new financial year, the transition from your old accounting system to your new one is a cinch. That's because accounts are always finalised at the end of each financial year. These final accounts provide the opening balances for

the following year and save you paying your accountant to draw up interim accounts.

With suitably religious overtones, MYOB refers to the month that you start recording transactions as your *conversion month*. So if you're entering information from April onwards, your conversion month is April.

Don't be tricked into thinking that this conversion month is the current month. Even if it's February when you install MYOB software, if you want to go back later and enter transactions from April in the previous year, your conversion month should be April.