



## Developing and Maintaining a Quality Relationship with a Virtual Bookkeeper

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Outsourcing is becoming the wave of the future as businesses look for ways to cut spending. While outsourcing bookkeeping can be very beneficial, it can be an intimidating process. Having a virtual bookkeeper means that you will have a wealth of knowledge and skills right at your finger tips. Besides providing a balance sheet and income statement, a bookkeeper can also improve the efficiency of your systems. Possibilities range from aligning your chart of accounts with your tax return (saving you money by having the books well-prepared for your tax accountant) to trouble-shooting the eight-year-old data file with inaccurate financial information. There are four important components to developing a strong relationship with a virtual bookkeeper:

- Finding the right individual;
- Establishing who is responsible for what information;
- Understanding how the data will transfer between you and the bookkeeper;
- Deciding what business information the bookkeeper will need.

A good fit begins with selecting a bookkeeper that has in-depth knowledge of the accounting software your company uses. Most of the mainstream accounting packages (QuickBooks, Sage, Peachtree) have training and certification programs that will help you to understand how much experience the bookkeeper has with the software. For instance, Intuit has two levels of certification: Certified QuickBooks ProAdvisors and Advanced Certified QuickBooks ProAdvisors. Bookkeepers who have met the requirements are listed on the QuickBooks "Find a ProAdvisor" website. Look for someone who can coach you on how to use your data. A good





bookkeeper can suggest reports that will help you evaluate your business' financial success as well as help you develop a budget/plan for the future. Beyond the basic balance sheet and income statement, consider including budget comparisons and forecasts. You may also want information split out by department or employee or customer type.

Excellent communication will be critical to the success of the relationship. Consider creating an agreement that clearly states the following:

- what will be provided by your company;
- what services the bookkeeper will provide;
- the frequency with which the work will be done
- the fees that will be charged
- how the agreement may be changed
- what are charges for services beyond the scope of the agreement
- cancellation policy
- confidentiality clause
- other issues that may be unique or important to your firm
- as the professional relationship grows the contract may be revised to include other duties.

Sending your accounting data file or allowing remote access to your computer system to someone you have never met in person may make you very uncomfortable. For this reason, the person you contract with to perform your bookkeeping duties should be checked out thoroughly to make sure his/her company is legitimate. This can be done by checking references; by checking out the company's website; and by checking the Secretary of State website in your state





-or the state where the bookkeeping company is located- to verify the company is a valid business. There are many secure data transfer sites available that can be used to transfer your data file over the Internet. Make sure the software/site you choose has 128 bit SSL encryption to protect your data. Another helpful tool will be a reliable scanner for both you and the bookkeeper. This allows the easy transfer of non-electronic data via email or fax (which is more secure). Remember, that your data will only be as good as the input, so you will still have a big responsibility for getting all of your information to the bookkeeper.

Giving your bookkeeper access to your business accounts (checking, savmgs, investments, and/or credit cards) will allow the bookkeeper to perform the job more efficiently, and will answer many questions that will arise as he or she is entering data and reconciling your accounts. This doesn't mean the bookkeeper needs your user names and passwords. Most banks will allow a business owner to set up "user permissions" in the online access of the company accounts -some banks call this "Delegate Status" or "Account Manager Status". When set up properly, this allows an employee (or in the case of a freelance bookkeeper -a contractor) to view the information but does not allow any changes or transactions on the account.

Like any healthy business relationship, trust and ongoing communication with your bookkeeper is a necessity. If you are uncomfortable with your bookkeeper, speak with them, or another trusted expert, about the issues you are experiencing. Alternatively, schedule training sessions to ensure mutual understanding of the data that is contained in your file. Remember, that ultimately, you are responsible for you own financial data so take the time to understand it and learn how to do





mini-audits. Develop the habit of reviewing your reports and compare them to original documents such as banks statements and deposit slips.

Outsourcing is the wave of the future and Virtual Bookkeeping is a good way to stretch your corporate dollar. Experienced virtual bookkeepers often have a broad business background and even tax knowledge. This powerful combination will help you move past the bookkeeping woes that plague many businesses. Choose your bookkeeper carefully and you may find this is one of the best business decisions your company ever makes.

