

A quick cloud accounting software primer



If you are looking for a way to do your own bookkeeping, but have no experience, or, you want to be able to do other things like invoicing, expense recording and budgeting, modern [cloud accounting software](#) is the way to go. I say “modern” because desktop software is becoming a thing of the past in the bookkeeping and business application world. Online accounting software is a misnomer, really, because cloud accounting applications do much more than bookkeeping. I’ve tried a few online accounting packages. They have some similarities, but I’m limiting my discussion to Flare, a fairly new small business accounting application that I use in my own business.

Financial dashboard software

Most [small business accounting software](#) have a “dashboard”. Flare’s dashboard is a little different. Like others, you see the dashboard when you log in to your account. The dashboard displays basic financial information that is important to your business: bank account totals, recent transactions, payables and receivables totals, outstanding invoices and bills, and profit and loss. If you set up a budget, a handy graph comparing your budgeted figures to what you actually achieve is also displayed. Flare truly does seem to be accounting software for small business, where others make the claim, but seem to be made for accountants. The goal of the dashboard is apparent. You see all you need to see at one time and can

click through if you want more information. The dashboard gives you a sense of your current financial status without having to run reports (although you can do that, too).

Invoicing software

When you use cloud accounting software with built-in invoicing, you really save time, costs and increase efficiency. Invoicing is part of the Flare system. I didn't have to "learn" how to create invoices because the process is easy. Once invoices are made, the system tracks their status (paid or past due) and it's easy to sort through invoices if you need to. You can search invoices by date, customer, total and status. When I send an invoice, my customer can pay online from a customer portal. The customer portal shows them outstanding invoices, past invoices and payments made.

Spot trends

Flare accounting software helps you spot trends, too. You can view income and expenses and compare them to previous years, and, view income and expenses for any period (month, date range, quarter, fiscal year for example). I like that I can view a customer record and see the income they have earned my business. It helps me pay attention to these important customers and try to focus on the services that earned me more money.

Bank transactions

Bank transactions can be imported from a spreadsheet, or, because Flare is cloud accounting software, you can connect it to your online banking and Flare will automatically import a bank transactions file for you. When bank transactions are imported (either manually or automatically) you can reconcile them quite quickly. Flare makes this pretty easy and it's partially automated so it's a lot faster than manual bank reconciliation. You can "match" transactions that you've recorded to Flare; "add" transactions that you've yet recorded; and, "ignore" transactions that are not business transactions. Having accounting software and bank reconciliation software rolled in to one is a convenience that I appreciated.

Financial reports

Small business accounting software should prepare financial reports based on transactions you've recorded elsewhere in the system, such as when you create invoices and bills or record invoice and bill payments. Flare works this way, automatically storing data for reports. All you do is pick a report, pick a date range and run the report. Financial reports can be exported as CSV, Excel, or PDF.