ACCOUNTING SYSTEMS – WHAT ARE THEY AND HOW DO I SELECT THE RIGHT ONE FOR MY MARIJUANA BUSINESS?

An accounting system is a program that automates financial activities, centralizes financial data, and streamlines overall accounting operations. It can also automate tasks such as invoicing, bank reconciliations, accounts payable (A/P) functions, accounts receivable (A/R) functions, and more. Its purpose is to help avoid costly bookkeeping mistakes and allow your employees to be more efficient.

Choosing the right accounting system is essential to the productivity of your company. Elements to consider are functionality, system type, and cost.

Functionality elements to consider include, but are not limited to:

- Specific operations you may want in your system such as payroll, financial reporting, inventory management, A/P, A/R, invoicing, etc.
- Desktop (network server) or Cloud-Based (internet)
- Ease of use - installation and day-to-day
- Scalability – can the software grow with you?
    - How many users now and possibly in the future?
    - Customizable to add features later?
- Compatibility with existing software and programs your company uses
- Double-entry bookkeeping (every transaction is recorded in 2 accounts (debit one/creditother)

System type refers to the size and number of built-in functions an accounting software has at the basic or lowest price option.

- Payroll and Accounting Management Systems (for smaller/start-up businesses)
- Billing & Invoicing Systems (can be add-on to above or stand-alone)
- Enterprise Resource Planning Systems (ERP) (typically for larger companies)
    - Contains, but is not limited to, financial planning, inventory management,distribution, marketing, human resources, eCommerce, and customerrelationship management (CRM) modules

Lastly, the total cost of the accounting system should be considered. This includes installation fees, monthly subscription fees, per user fees, technical help fees, etc. Many systems offer tiered pricing options and it's also important to note that modules such as payroll, A/R, or A/P usually cost extra.

A successful choice in accounting system starts with planning and research. Know your company's industry requirements, internal expectations, and take advantage of software trial periods.

Your CPA can typically provide insight into a variety of different systems and help you make the best selection based on the specific needs of your business. Consider getting them involved early in the selection process.

ACCOUNTING SYSTEMS – WHAT ARE THEY AND HOW DO I SELECT THE RIGHT ONE FOR MY MARIJUANA BUSINESS?

Below is a list of some of the more popular accounting systems being used today.
1. Intuit QuickBooks (Desktop or Online)
2. Sage Intacct
3. Xero
4. Oracle NetSuite
5. Zoho Books
6. Patriot
7. FreshBooks
8. Neat
9. Wave
10. Odoo Accounting

QuickBooks is an easy-to-use small business accounting system that tracks and organizes your financial information for you. QuickBooks automates tasks such as bookkeeping, invoicing, time tracking, budgeting, bank reconciliation, inventory management, and more.

Sage Intacct is a cloud-based accounting software and financial management solution that includes payroll, tax filings, inventory tracking tools, and more across multiple industries. Sage Intacct's scalability allows companies a complete range of basic and complex accounting processes.

Oracle NetSuite for Accounting has a wide variety of programs to offer. From accounts receivable to accounts payable, there are specific programs for each function. It allows accountants to automate tasks that are repetitive.

FreshBooks caters to a wide range of users: freelancers, self-employed professionals, businesses with employees, and businesses with contractors. Everything from tracking expenses and receipts to managing financial reports and pricing options that include customizable plans.

Wave offers completely free accounting and bookkeeping software. Catering to small businesses, this app provides basic stats and data that can be viewed from the dashboard. It is web-based, so there is no need to install anything. Payroll and access to experts/advisors are also available for a fee.