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## A Better Bookkeeping Solution for Advisory Firms

After outsourcing to a virtual accounting firm, we wish we'd done it sooner.

Helen Modly, CFP, CPWA, 12/08/2016

Bookkeeping and payroll processing are two important activities of running any business. If you are doing it yourself or employing staff for these functions, consider outsourcing to a virtual accounting firm.

Like many firms, we employed a staff person to handle our bookkeeping and payroll needs, as well as some light general office duties. Our firm has made a dedicated effort to go paperless and process as much as possible online or in the cloud. In the past two years, we have moved from an in-house server environment to Microsoft's SharePoint Cloud service. The last business function to tackle was our in-house financial management.

### A Dinosaur in Our Midst

I will confess that I had not paid a great deal of attention to how these activities were processed in our firm. I relied on our QuickBooks reports and bank reconciliations and didn't delve much deeper.

When I started asking how particular items were processed, I encountered some troubling resistance from our staff person. I tasked her with developing a written Standard Operating Procedure (SOP) for each of her primary activities to populate the Practice Management site on our corporate intranet. This was perceived as our management team not trusting her and created a very tense working atmosphere.

We began to realize that all our records were in paper in files in her office. It took until the middle of each month to close the books for the prior month because she was waiting for paper statements to come in the mail. Most of our accounts payable were done by manual paper checks. Employees submitted scanned receipts only to have them printed out and saved in paper. Invoices that arrived electronically were also printed out and saved in paper. The harder we pushed for electronic processing, the more resistance we felt.

### Finding a Modern Solution

We conducted an informal survey of many similar firms and discovered a range of arrangements, from the owners/advisors doing it themselves to part-time persons shared between firms. Neither of these appealed to us.

We began to investigate some online offerings from virtual accounting/bookkeeping firms that touted the ability to handle the complete job function online. After several weeks, we selected [AccountingDepartment.com](#) as our provider and let our staff member go. Due to the sensitivity of the job function, we did not allow her to serve out a notice; rather, we paid a generous severance and parted ways at the time of notification.

AccountingDepartment.com has bookkeepers and CPAs working from their homes all over the country. We have an assigned team who communicate with us via email and weekly video conferences. Our first step was granting them user access to our Quickbooks online



account and then giving them view-only access to our bank accounts and charge cards. They were able to process our payroll within four days of taking over, handling the payroll tax deposits and the 401(k) deposits.

The next steps proved more difficult, but not due to any fault of theirs. It turns out that our previous bookkeeper had made herself the primary user for all our charge cards, bank bill pay, every vendor account, etc. In order to request electronic billing and online bill pay, I had to remove her and appoint me as primary user. I was required to supply photo IDs, a copy of our articles of incorporation, and a request letter on our letterhead. You would be surprised how many vendor sites are involved with simply changing how billing is handled. We had some bills paid directly by credit card, some by auto-bill pay through our bank, some through Quickbooks, and the rest with paper checks. I am still slogging through this transition a month later, even though my accounting team is handling as many of these changes as the vendors will allow them.

If you have staff that handles these functions in your firm, I urge you to get a list of user IDs/passwords for each vendor site and create your own login credentials for each one. That would have saved us hours and hours of time.

### Third-Party Integrations

Part of AccountingDepartment.com's process is using a third-party website, [Bill.com](#). They had us create an email for the accounting department at our domain for all account-payable invoices to be sent. They are included on this email, and the invoices go into Bill.com. Once a week, we receive an email that invoices are ready to be paid. From our computers or our phones, we can approve, delay, reject, or change the amount of any payment. This site integrates seamlessly with our Quickbooks online, so I finally have just one place to look for all accounts payable.

To streamline expense reporting, they set us up with another third-party site, [Tallie](#). This service gives us a mobile app that uses our phone's camera to capture receipts, upload them to our online site where they are categorized and submitted for reimbursement or matched to a corporate credit card charge. This site also integrates with our Quickbooks online account. Expense reports can be created by user, time period, category or just about any other way imaginable. Receipts can also be emailed or directly uploaded to the site as image files or PDFs.

### End of the Month

Now we receive our financial reporting package by the 5th of the following month, and our Quickbooks account is updated. With a quick glance at Bill.com, we can verify that everyone has been paid on time. Tallie provides our expense reports, and our team is available to help with budgeting for next year. The truly amazing part of all this is that we are paying about one third of the total cost of our former employee. For us, this is one of those "We wish we had known about them sooner!" situations.

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