

MYOB Software For Dummies

Upgrading to AccountRight

- * Discovering what that new action button is all about
 - * Exploring the new BusinessInsights dashboard
 - * Keeping MYOB software up to speed
 - * Making sure you set up reportable super correctly
 - * Upgrading to Windows 7 — is everything gonna be okay, or not?
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MYOB Software For Dummies covers all four core members of the MYOB family: BusinessBasics and FirstEdge, AccountRight Standard, AccountRight Plus, and AccountRight Premier.

You may be wondering where the name AccountRight fits into everything. All that's happened is that MYOB have renamed their accounting products. MYOB Accounting is now called AccountRight Standard; MYOB Accounting Plus is now AccountRight Plus, and MYOB Premier is now AccountRight Premier. (BusinessBasics and FirstEdge haven't changed, and nor have their names.)

There are very few changes to the software itself, although there are a few bells and whistles to catch your eye. In this update document, I cover the new features of the AccountRight release, and I also talk about the new laws governing employee super.

If you have any questions about new features that I don't answer in this document, the best place to go for more info is my website at www.veechicurtis.com.au. My website has lots of info and news about MYOB, as well as a members' forum page where you can ask questions and receive answers for fellow users and MYOB experts — all for free.

Getting Busy with the Action button

Okay, time to don your camouflage overalls, grab a great big plastic gun and jump onto a battery-operated remote control truck. Or maybe not (I've been hanging out with toddlers waaay too long). I must remember that I'm not talking Action Man here, rather I'm talking all those sexy new Action features new to the latest version of MYOB.

Finding your way with Google

The first time you go to your Cards List after upgrading to AccountRight, you may well have an attack of the heebie-jeebies. The buttons for letters, log entries, combining and synchronising cards have all disappeared.

Don't worry, for all these commands are now stored under the one Actions button. As you can see from Figure 1, this Actions button also provides a way to leap straight to the Sales Register for a particular customer, send an email, or go direct to a customer's website.

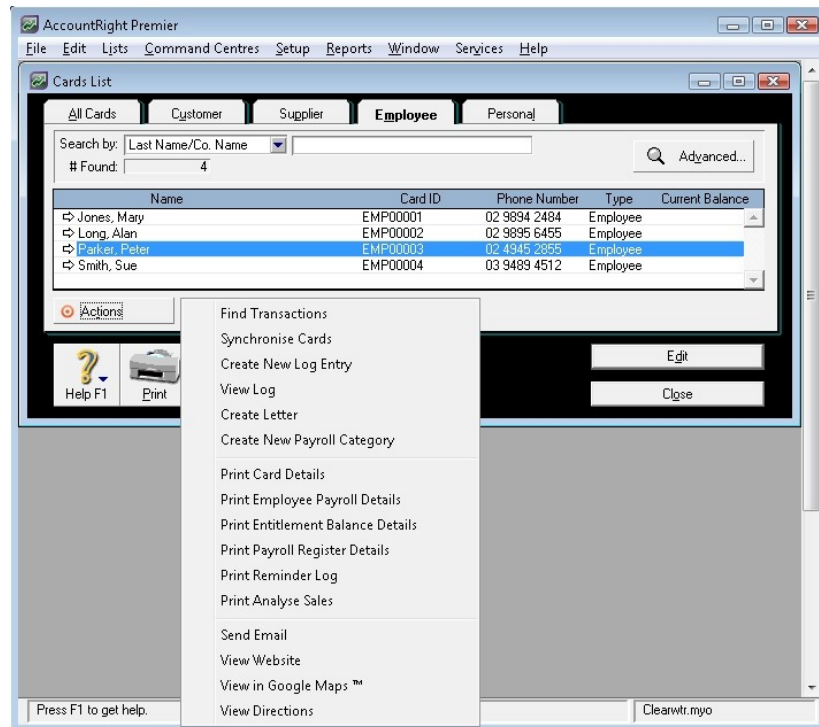


Figure 1: The new Actions button

The only features that are actually new to this list are the View Website, View in Google Maps and View Directions commands. You can follow your nose to figure out how these beasts work, but here are a couple of tips to help you out:

- * **Viewing addresses in Google Maps:** With customers and suppliers, Google Maps displays the shipping address (that's address number two), not the billing address. However, if you don't have a shipping address, Google Maps displays the billing address.
- * **Viewing directions in Google Maps:** Click the View Directions command and Google Maps displays the directions for how to get to this customer from whatever company address you enter in your Company Information. (I discovered my favourite customer was 920 kilometres away and getting there involves a trip via Gundagai. Fascinating stuff.)

Acting on the fly when reconciling

When you go to Reconcile Accounts in AccountRight, you'll notice that the Undo Reconciliation, Bank Entry and Get Statement buttons have all disappeared, and in their place is a single Actions button. Click this button and you'll see that all three of these options are still here, plus a few more besides.

The neat thing about this Actions button is that you can add new transactions while you're in the middle of doing your bank reconciliation. So, if you're reconciling a statement and discover that a supplier payment is missing you can go to your Actions button, click Pay Bills, record the supplier payment, and then click Close to return to your bank rec.

The only new thing to be found under the Actions button is the Transfer Money feature, which takes you a window similar to Figure 2. To record a funds transfer, simply select the account you're transferring money from, followed by the account that you're transferring money to, enter the amount, a memo if desired, then click Record.

Of course, you can still record fund transfers by using either the Spend Money or the Receive Money commands. I guess the nice thing about using the Transfer Money command is that the process is more straightforward — you're not worrying about irrelevant details such as a Cheque Number or Job code.

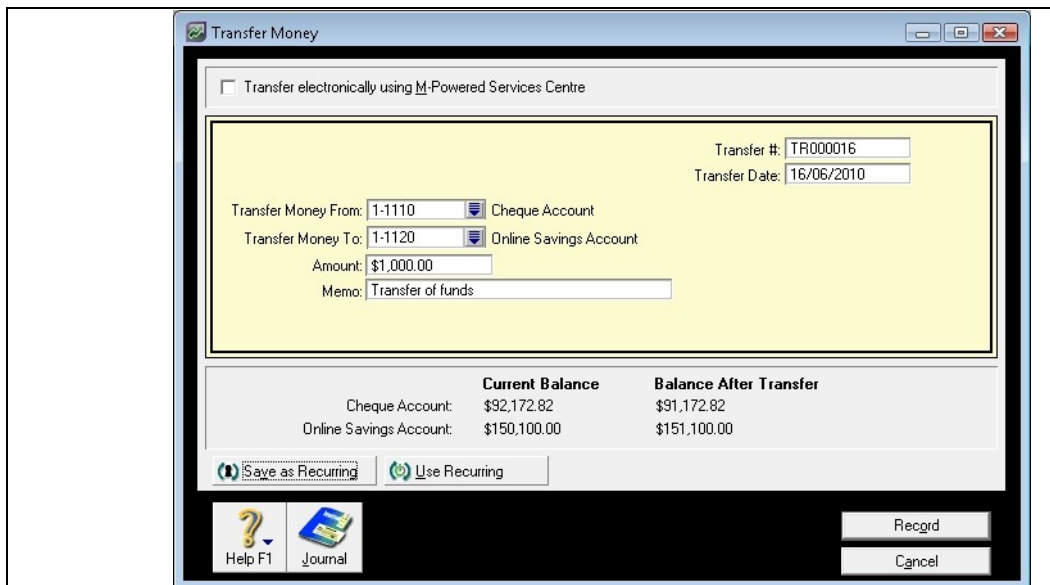


Figure 2: The new Transfer Money feature

Upgrading – is it worth the hassle?

I sometimes come across people who don't upgrade because they think that upgrading involves starting with MYOB again from scratch. On the contrary, you don't lose a single scrap of work when you upgrade. You simply install the new software, ask to open your company file and, when MYOB prompts you to upgrade this file, you click Yes. MYOB prompts you to save this file somewhere intelligent, and then whizzes and buzzes for a few minutes until the job is done.

Getting some Business Insights

The BusinessInsights dashboard is the biggest news in the AccountRight release, with a neat dashboard that combines key info about cash, profitability, receivables and payables, similar to Figure 3. Although you could get most of these reports and graphs in previous versions of MYOB, what's new is that you can now view all this info on the one screen, complete with alluring pie-charts, elegant bar graphs and rainbow colours.

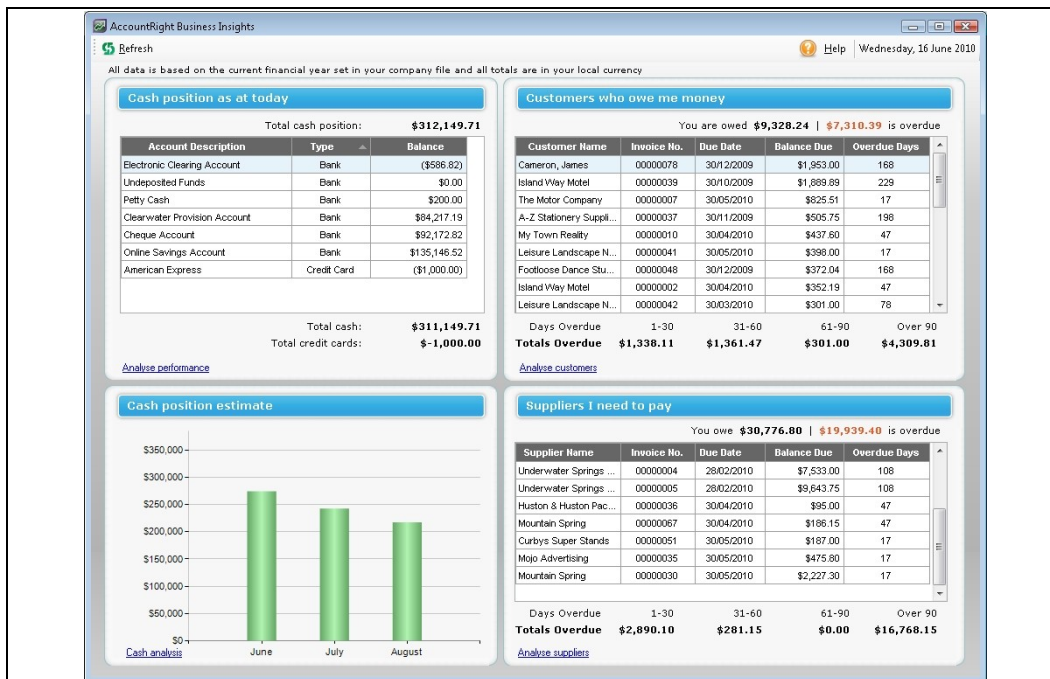


Figure 3: The new BusinessInsights dashboard

To arrive at your very own business insight, go to your Accounts command centre and click . . . guess what . . . the BusinessInsights button. Then do a few rounds with a hula-hoop (does wonders for your tummy muscles apparently) and wait a few seconds (the dashboard takes a minute or two to load) and there you have it. Ah, the wonders of the modern world.

Seeing how much honey is in the pot

The first panel in the top-left corner lists all your bank accounts (including accounts like petty cash and undeposited funds), and at the bottom shows a total for these bank accounts, plus a total for credit card accounts.

If an account isn't listed in this panel but you want it to be, simply go to your Accounts List, double-click that account, and change the Account Type to either Bank or Credit Card.

You'll find that the Cash Position panel to be really handy if you keep your books right up to date.

Checking out your profitability

On the left-hand corner of the Cash Position panel is a link labelled Analyse Performance. Click here to view a four-panel profitability analysis, similar to Figure 4, where you can see the following:

- * Total income and expenses, month by month, as a bar chart
- * Your top 10 selling items
- * Cumulative income, expenses and profit, as a line graph
- * Your top 10 customers by sales value

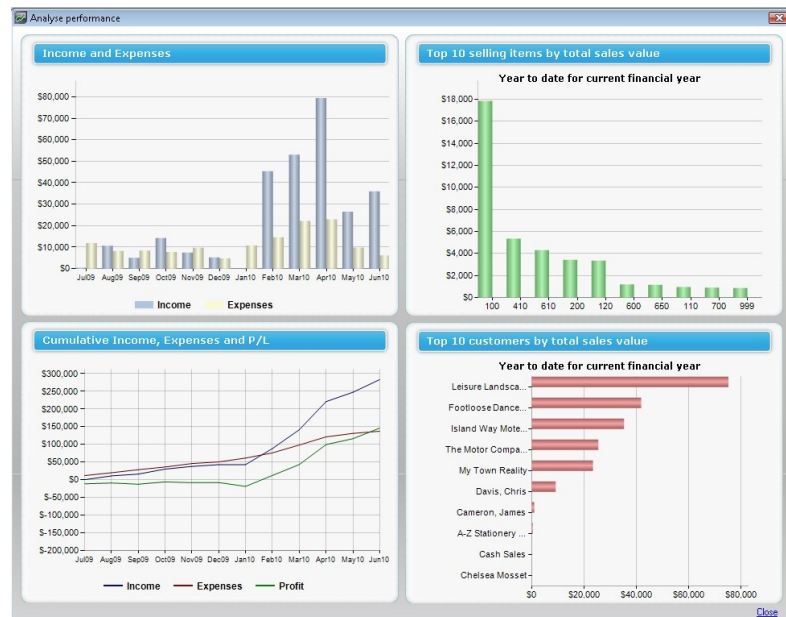


Figure 4: Analyse your business performance, month-by-month

Although you can't manipulate the graphs in the Profitability Analysis, what you can do is right-click on any of the four images and save the image as a jpg file. This way, you can then insert the image into management reports.

Also, if you find that your data relates to last financial year and not to your current year, all this means is that you haven't started a new financial year yet. You can find out more about how to start a new financial year in *MYOB Software For Dummies*.

Forecasting whether you can eat, or not

The Cash Position Estimate sits in the bottom right-hand panel of the BusinessInsights dashboard and predicts how much cash you're going to have at the end of this month, the next month and then the month after that.

In my opinion, the Cash Position Estimate panel is a bit of a gimmick, because despite the fact that the pea-green bar graph does look rather gorgeous, the cash predictions within it are likely to be wrong. Click the Cash Analysis link (found in the bottom left-hand corner of this panel) and you see why.

The estimate assumes that all customers are going to pay you as soon as their invoices fall due, and that you'll also pay your suppliers as soon as their bills fall due. Not only that, but the cash position estimate only includes income from recurring sales and outgoings from recurring expenses. Most businesses only use recurring transactions for a small percentage of their sales and expenses, and for this reason, the cash predictions are unlikely to work.

If you want to predict what your cash position is going to be in a couple of month's time, you're probably best to create a spreadsheet in Excel. You can use a similar format to MYOB's Cash Position Estimate by starting with your actual cash on hand, adding the income you're going to receive each month for the next few months, and subtracting the expenses you think you're going to incur.

Looking at who owes you what

The Customers panel shows the total amount that customers owe, with a one-line summary of each invoice owing, the customer's name, the amount, the due date and so on. At the top you can see the total amount you're owed, and next to that in bold is the total amount that's overdue.

Click the link to Analyse Customers in the bottom-left of this panel and you arrive at the glitzy view similar to Figure 5. This shows the same info one more time in pie-chart and bar graph format, but also includes a table summarising sales history, with total sales for last financial year and this financial year for each customer.

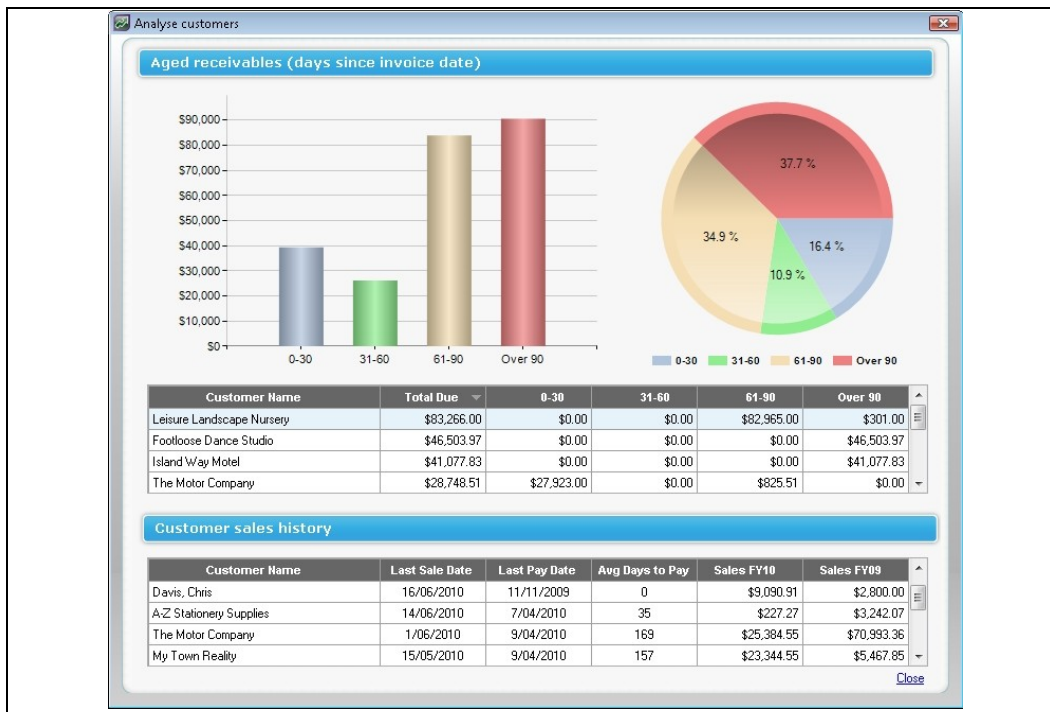


Figure 5: The Analyse Customers panel

What I like best about the Customers panel is that I can click any of the column labels to sort by that column. For example, I can click the Total Due column to see which customer owes me the most listed at the top, or I can click the Invoice No column to sort by invoice number.

Although you can't edit the graphs and pie-charts in the Analyse Customers panel, you can right-click to save these images, ready to insert into your Word or Excel documents.

Seeing who you've gotta pay

The Suppliers panel shows the total amount that you owe to suppliers, with a one-line summary for each bill showing the supplier's name, the amount owing, the due date and so on. At the top you can see the total amount that you owe to suppliers, and next to that in bold is the total amount that's overdue.

Click the link to Analyse Suppliers in the bottom-left of this panel to view the same info in pie-chart and bar graph format, as well as a table summarising your purchasing history for each supplier.

By the way, you can click on any column label to sort by that column. For example, click the Total Due column to show the supplier that you owe the most to listed at the top, click the Invoice No column to sort by invoice number, or click the Overdue Days column to show the most overdue bills at the top.

If you find the info in the BusinessInsights panel useful, you can always open up the panel at the beginning of the day and keep it open while you're working. As you add supplier bills, supplier payments or other new transactions, you can click the Refresh button in the top-left corner to automatically update the data that's displayed.

Keeping Your Software Up to Date

If you're feeling keen to be one step ahead of the rest of the pack, you can now receive software updates online.

To register for software updates, go to your Help menu, click Updates, followed by Register for Updates. When prompted, enter your 12-digit serial number and click Register for Updates. (You can find your serial number in your Company Information, found under the Setup menu.)

If you register for software updates, you receive a message every time MYOB releases a new version of the software. You can then follow the prompts to download and install the update.

Reporting Super Contributions (RESC)

Last year the Australian Taxation Office announced changes to the way you have to report employee superannuation, defining a new category of super called *Reportable Super Contributions (RESC)*. You now have to report all RESC super on your employee payment summaries.

So what does RESC include? Put very simply (have sympathy for me here, I'm trying to condense 48 pages of government-tax-speak into two simple bullet points), RESC includes:

- * Super that you deduct from an employee's pay under a salary sacrifice arrangement.
- * Any super over the 9 per cent minimum that you pay to the employee as part of their employment offer. (If a business or organisation offers all employees more than 9 per cent, and the employee isn't able to influence

this decision, then the amount over 9 per cent doesn't count as part of RESC.)

The good news? If, like 98 per cent of employers, you simply pay your employees 9 per cent super (in other words, the legal minimum), then you don't have to do anything. You don't need to change any MYOB settings, and you don't need to report employee super on your next batch of payment summaries. Yippee.

Alternatively, if any employees have a salary sacrifice arrangement, or you pay any employees at a rate that's higher than 9 per cent, then you *may* have to report the additional amount of this payment separately. Read on for more details . . .

Setting up salary sacrifice super

The idea of superannuation salary sacrifice is that the employee 'sacrifices' some of their wages in exchange for additional superannuation and less PAYG tax. For example, you may offer an employee a \$70,000 salary package, which includes \$65,000 gross wages and \$5,000 superannuation (this super is in addition to the minimum 9 percent that the employer pays). The employee only gets taxed on \$65,000 and not \$70,000.

Now that RESC has arrived on the scene, you need to make extra sure that you set up salary sacrifice correctly for your employees. Here's the deal:

- 1. From the Payroll command centre, click Payroll Categories, followed by the Superannuation tab.**
- 2. Double-click on the default super category called Salary Sacrifice.**
If by any chance someone has deleted this default category, click New to add a category by this name.
- 3. Make sure that the Linked Payable account is Superannuation Payable and that the Contribution Type is Salary Sacrifice (deduction).**

You can see how this looks in Figure 6.

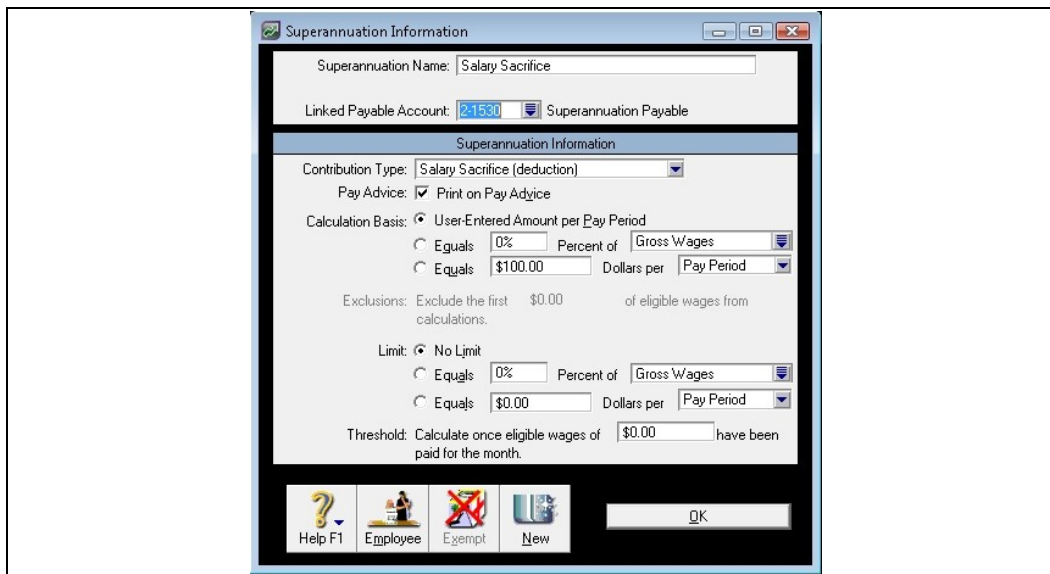


Figure 6: Setting up salary sacrifice super

4. **As the Calculation Basis, select User-Entered Amount per Pay Period.**
5. **Click the Employee button and tick against any employees that have a salary sacrifice deal.**
6. **For each employee, go to the Payroll Details tab in their card, and check that their annual salary or hourly rate is the ‘grossed up’ total of their wages, including the salary sacrifice super.**

So in my example, an employee receives a \$70,000 package, with \$65,000 in wages and an extra \$5,000 in salary sacrifice super, I enter the salary for this employee as \$70,000.

7. **Go to the Standard Pay for each employee and enter the amount of salary sacrifice per pay period.**

Always enter this figure as a minus amount, otherwise MYOB adds the super on, rather than takes it off.

8. **Check your work.**

Don't pike out on this bit. Go to Process Payroll and check that the pays are calculating correctly. Remember that if you set up salary sacrifice correctly, then MYOB calculates PAYG tax on the net amount that the employee receives after salary sacrifice super is deducted.

Dealing with additional employee super

Whether or not you have to report additional super separately depends on whether the additional super is a deal that you've cut with an employee individually, or whether your business or organisation has a collective agreement that involves all employees getting more than the minimum 9 per cent. I'm not even going to try and delve into the technicalities of collective agreement stuff here, but if you want to check whether you need to include additional employee super as a RESC amount, then either ask your accountant for advice, or contact the Australian Taxation Office.

If this additional employee superannuation *is* reportable, then your part of the deal is to separate the non-reportable and reportable amounts using different payroll categories. For example, if you pay an employee 11 per cent super, use the SGC Superannuation category for the first 9 per cent, and use a separate super category with Employer Additional (Expense) as the Contribution Type for the remaining 2 per cent.

Reporting super on payment summaries

The whole reason why the Australian Taxation Office created the concept of reportable super is that you have to report this kind of super on employee payment summaries. So long as you set up your super categories correctly, then printing this info on your payment summaries is a walk in the park.

I explain how to print payment summaries in detail in *MYOB Software For Dummies*, but the thing that's relevant here is step four of the payment summary. When you get to the Reportable Employer Super section, click the Link Superannuation Categories button and select all super categories that you have to report, such as Salary Sacrifice Super or Employer Additional Super. In Figure 7, you can see how this works.

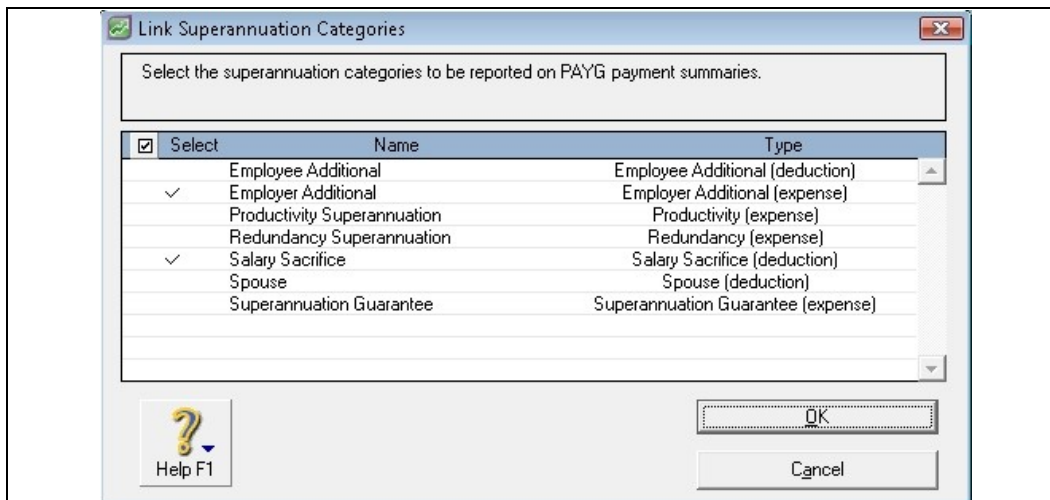


Figure 7: To report RESC correctly, you must first link the relevant super categories.

Staying Wise to Employment Laws

I guess that Australia's new employment laws aren't really part of the new features in AccountRight, but hey, I know that bookkeepers and business owners have a lot to keep up with, so I'm grabbing the opportunity to pop a quick reminder into this document.

Did you know that with employee awards, all states other than Western Australia are moving to federal legislation? You can make sure your pay rates and conditions are up to date by contacting Fair Work Australia (phone 13 13 94 or visit www.fairwork.gov.au). Also, remember that your workplace must now conform to the National Employment Standards. These standards specify 10 minimum entitlements for all employees, including maximum weekly hours of work, parental leave and annual leave.

Upgrading to Windows 7

I'm going to confess something. I haven't upgraded to Windows 7 yet (the newest version of Windows) because I just can't bear the pain. Windows Vista is working just fine for me right now, and hey, if it ain't broke, why fix it?

However, you may not feel you have a choice in these matters, and maybe an upgrade to Windows 7 lies just around the corner. I guess you're wondering whether MYOB is still going to work with Windows 7. Here's the drill:

* **MYOB BusinessBasics v1.1:** Yep, everything will be sweet. Just install your software from the original CD, and keep going.

- * **MYOB JustInvoices:** In order to keep things running sweet, you'll need to go to www.myob.com and download the free update. Alternatively, phone MYOB Customer Service on 1300 555 151 and ask for assistance.
- * **MYOB Accounting v18, Accounting Plus v18.5, Premier v12.5 and Premier Enterprise v6.5:** If you synchronise cards with Outlook contacts, use the Import Assist feature or you use a third-party add-on solution in conjunction with MYOB, then you need to update your MYOB software. Go to www.myob.com to download your free update or phone MYOB Customer Service on 1300 555 151.
- * **AccountRight (all versions).** You'll be sweet as a nut. Everything should run swimmingly with Windows 7.

As far as earlier versions of MYOB software are concerned, MYOB provide no guarantees as regards Windows 7 compatibility. If you have an earlier version you're probably best to hold off on upgrading to Windows 7, or bite the bullet and upgrade to the latest version of MYOB. Alternatively, if you're feeling game, feel free to be a test bunny and try your ancient version of MYOB software with Windows 7. Please do send me an email (veechi@veechicurtis.com.au) and let me know if all goes well, or not!