

## PROTECTING YOUR DATA FROM UNWANTED CHANGES



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IRS

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### Have you Backed Up Your Files Lately?



I may be dreaming of spring flowers while I stare into my computer, but a glance outside shows me snow flurries, and a look around my office tells me that I'm still right in the middle of tax season.

Although every tax season brings it's own unique challenges, some things seem to crop up every year. One of the most frequent problems we encounter when preparing business returns is a changed retained earnings (or owner's equity) account on the balance sheet. Basically, this is the account that holds all the past years' profits and/or losses. When we do a tax return, the ending balance in this account must remain the same until the end of the next year, when more profits or losses get added into it. If it isn't the same, we have to investigate and correct it, which usually adds money to your tax bill.

Why does it change, you may ask? For you **QuickBooks** and **MYOB** users, the answer is usually that you have deleted something - a check, a deposit or invoice, for example, that was created in the prior year. It's an easy mistake to make, but it's also easy to prevent from happening. Here's how.

**QuickBooks** users can set a closing



date so that a warning will appear whenever a prior year entry is about to be changed. To do so, go to **Company, Set Up Users**. Once past the password screen (if you have one), click on the **Closing Date** icon to choose the date (usually 12/31).

Once the date is chosen, anyone trying to change a prior year entry will get a warning. Also, if you set a password in this screen, only those who know it will

be able to change an entry.

**MYOB** users can do the same by going to **Setup, Preferences**, and clicking on the **Security** tab. Then check the box **Lock Periods: Disallow Entries up to and Including [date]**. Once set, anyone trying to change an entry will get an error message.

Protecting your data will make next tax season less expensive and a lot easier - for you and your tax preparer.

## A QUICK REVIEW OF RETIREMENT PLANS

There are so many retirement plans out there that it's hard to tell them apart. Here's a quick recap of what's available:

### IRA Accounts..

These are funded by the individual taxpayer, with up to \$2,000 per year. They are sometimes deductible, or can be Roth accounts which give no current deduction, but will never be taxed. Limitations still exist about who can establish one, etc., but your IRA saving options are getting better all the time. Let us help you pick the best plan for you.

**SEP plans..** Simplified Employee Pension Plan. Small employers (under 100 qualified employees) can contribute up to 25% of participating employee's wages into the employees' IRA account. The maximum limit is \$30,000. This is an employer funded plan.

**SIMPLE plan..** Small employers can establish these, if it is their only plan. The plan allows employees to have the employer reduce the employee's wage and send the reduction, (up to \$7,000 in 2002) to the employees' Simple IRA account. The employer is required to match contributions

up to 2 to 3% of employees' wages, depending upon the plan design. This is primarily an employee funded plan.

**Qualified Plans..** A plan with a Qualified Trust which holds monies from the employer and possibly from employees via 401(k) deferrals. These provide greatest flexibility, but historically have been expensive to monitor and deal with annual reporting and compliance issues. These plans can be funded both with employees' and employers' dollars and are much less complicated now.

# NEW PRODUCT REVIEW

## MYOB 11 AND MYOB ACCOUNTEDGE 2

MYOB confirmed their commitment to Macintosh users when they released their latest products. In the past, their programmers had designed one software package that could be used on either the Windows or Macintosh platform. But now they have chosen to design a unique software package for each platform - Version 11 for Windows users, and AccountEdge 2 for the Mac. Both releases, however, contain great new features for their users.

Both new users and upgraders will benefit from the enhancements introduced in AccountEdge 2 and Version 11. Here are some of the highlights:

1. The new Bank Register. Just like looking at your checkbook register, it provides you with all the information for checking or credit card accounts in one window. It also allows you to record transactions such as manual checks, deposits, interest income and bank charges directly into the register, saving time and increasing account organization.
2. Time and materials invoices. Now you can issue an invoice that contains both time billing activities and inventory items.
3. Online Banking. MYOB users who download their bank and credit card statements can now import them into MYOB, where it will mark as reconciled all matching transactions. This can be a tremendous timesaver when balancing your checkbook.
4. Headers and subtotals on invoices. You can now insert as many headers and subtotals as you like on invoices.
5. ODBC. An ODBC Direct driver is included in AccountEdge 2 and Version 11 which allows you to create customized reports using Seagate's Crystal Reports or build a database using FileMaker Pro or Microsoft Access. This greatly improves your ability to get the specialized reports you need for managing your business.
6. New preferences. You can now choose to view account names rather than numbers, and print packing slips with invoices.

## QUICKBOOKS/QUICKBOOKS PRO 2002

In many ways, QuickBooks' 2002 version looks just like the previous ones. The interface hasn't changed from 2001 - it still relies on its flowchart style navigational screens. But there are several new features that make this product worth getting. Unfortunately, when this product was first released, there were some problems. The reconciliation report no longer showed uncleared and new transactions, and some users were getting some strange error messages. All of this was corrected with Release 2, however, so anyone buying or upgrading to the product now will find these errors corrected. Here are some of the improvements you will find in 2002:

1. Improve the speed of QuickBooks by storing old data. Because there is no need to close the books in QuickBooks, users find that their file keeps getting bigger and bigger with every passing year. Now, you can condense your data and create an archive file that you can easily access. Condensing cleans up your file and improves your processing speed.
2. Improved find feature. There's a handy new find icon located in the upper right side of invoices, bills and checks, that allows you to search for specific transactions by name, date, dollar amount, etc. This makes finding transactions faster and easier.
3. Improved report customization. QuickBooks has always had great report features, but now they're even better. You can now add more details, like customer, vendor and employee information, to reports. Plus, you can move columns to different positions by dragging and dropping them. There are also some new report templates that you can download from the QuickBooks website.
4. Improved integration with third party vendors. Intuit recently decided to open it's code to other software vendors, so that QuickBooks can integrate with programs such as ACT! Link™, AccuPOS Retail, Amicus Attorney and many more. For a complete list of these vendors, go to: <http://marketplace.intuit.com/viewall.asp>

### Questions To Ask Yourself:

**Are you losing sales and profits because of record keeping problems?**

**Are you often frustrated because your accounting information isn't accurate enough to help you make business decisions or provide you with statements for your financing needs?**

**If the answer is yes to either of these questions, give us a call.**



*"Any man can work when every stroke of his hands brings down the fruit rattling from the tree...but to labor in season and out of season, under every discouragement, requires a heroism which is transcendent"*  
Henry Ward Beecher