

Learn MYOB[®] in 7 DAYS

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HEATHER SMITH

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MYOB
in 7 DAYS**

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About the author

Heather Smith has always had a particular interest in the workings of small business and is passionate about helping small business owners understand their numbers to enable them to maximise their productivity and profitability. She utilises remote technology to connect with the businesses computer and is able to provide education, training and support across Australia.

She writes for national online and printed publications, including *The Daily Telegraph*, *Flying Solo* (a website for 'solopreneurs'), *My Business* (a website for business advice), *ninemsn*, *Woman's Day*, *Courier Mail*, *Latte* and *Network* magazine.

She has a bachelor of commerce from Griffith University in Queensland and is a Chartered Accountant and a Fellow and an Ambassador of the Association of Chartered Certified Accountants (ACCA). Heather is an MYOB Certified Consultant, an MYOB Specialist Trainer, an MYOB Accredited Author and a XERO and SAASU consultant.

Heather is in demand on the speaking circuit, and her presentations on a range of small business topics never fail to excite and inspire her audiences.

‘The world of small business needs more people
like Heather.’

Robert Gerrish, founder and director of Flying Solo

Heather has enthusiastically embraced the world of technology and social media, and uses both to help her connect with small business people and to understand their most pressing issues. Heather is currently working on her next book, *Learn Small Business Start-up in 7 Days*.

Be part of the action by connecting with Heather:

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Introduction

Over the years I have trained thousands of people in the use of Mind Your Own Business (MYOB) business management software, ranging from how to do simple basic data entry and perform bank reconciliations to how to prepare Business Activity Statements (BAS) and manage business accounting records. This book is a crash course in MYOB. It explains the basics of MYOB in a way that is simple to understand. Some people intuitively ‘get’ MYOB and run with it; others take longer to master this software. I understand that MYOB can cause some people a lot of stress, because it involves working with numbers, with financials and with computers, and for this reason it can seem daunting and frustrating.

In this book we are going to work through the basics of MYOB step by step, building on your knowledge day by day and revising what you have learned along the way. To learn how to drive a car, you don’t need to have a detailed understanding of the car’s mechanics and electronics. Similarly, at the end of seven days you will not know everything there is to know about MYOB or bookkeeping, but you will be able to drive MYOB with confidence and know enough to be able to use it in a practical business environment.

Each reader will come to this book with a different level of experience. For example, you may have to set up a data file from scratch, or be required to work on an existing data file, and not know how to go about this; or you may be familiar with the basics of MYOB but want to learn more about the software's capabilities. We will cover all the basics in this book, including how to set up a data file, but readers with some experience of MYOB may wish to move ahead to a section that is more relevant to them. Personally, I go through every training manual I lay my hands on with a finetooth comb. I always find I learn something new—a timesaving trick, a different way to do something—and if I'm lucky I may experience a 'light bulb' moment.

You may think of MYOB as a single software program. In fact there is a wide range of MYOB software, each version offering different features to meet the needs of a variety of small business owners. You may be a microbusiness now, but if you have your sights set on world domination, it's worth considering what you will need your accounting system to do for you tomorrow. If you create a data file in MYOB Business Basics, you can upgrade to an MYOB product with more features as your business expands.

In this book I will be suggesting the simplest way to tackle accounts processing within MYOB. As a professional trainer and consultant, I come into contact with hundreds of different businesses, and it's my experience that some of them make life harder for themselves than it needs to be. It's critical to understand what information you want MYOB to generate before you start working with it. I also recommend that you always implement policies, procedures and rules on the assumption that the business is going to grow larger. For example, if you are processing employee mobile phone

expenses for the month, do you process each employee individually or do you process the expenses as a total for the month? If the former, you should ask yourself whether a bulk entry would generate the same information and save you valuable time, especially as your business grows.

MYOB is currently the most popular accounting software and business management tool used by small businesses in Australia. Any time you spend learning this product is time well spent.

An overview of MYOB software in Australia

If you have not yet purchased your software, or if you feel that the software you are using is not meeting all your requirements, it's worth taking the time to read the next section. Choosing the right accounting software for your business can be difficult—and may even be critical to the ultimate success of your business—but there is no 'one size fits all' solution. Being a business owner, you need to consider what your individual requirements are for your business, both now and in the future.

MYOB business management software comes in many different shapes and sizes. The packages listed here are just a selection. This book will use MYOB AccountRight Plus in the examples, but the terminology, features and feel are the same across all the packages.

Business Basics

As the name suggests, Business Basics is the introductory MYOB software. While many of its features are similar to those found in the more sophisticated products on offer, Business

Basics is a simple program that is deliberately limited in scope. But don't underestimate this software—it can produce invoices, undertake bank reconciliations and generate more than 70 reports. Like all MYOB business accounting software, Business Basics complies with the requirements of the Australian Taxation Office (ATO). It can record goods and services tax (GST) and produce activity statements.

New owners of small businesses sometimes start off using Microsoft Excel spreadsheets, but this software has several drawbacks in this regard. Importantly, it is not designed to generate reports, and many accountants will charge you an additional fee to rework the data. Business Basics retails at under \$300, and personally I really like this software. It does everything many soloists or start-up businesses need, at a modest cost, and it's a simple matter to upgrade it as the business grows.

AccountRight Standard

AccountRight Standard represents the next step up from Business Basics. It has all the features of Business Basics plus more extensive fields and reporting options within the areas of inventory management, purchasing and card files. Highlights of this package include the Company Data Auditor, which reviews the integrity of the data; the ability to synchronise contacts with Microsoft Outlook; and a feature called Business Insights Dashboard, which gives you a quick overview of the business's finances.

AccountRight Plus

The AccountRight Plus package has all the features of AccountRight Standard plus functions that allow you to manage time billing and, notably, payroll. The payroll function

allows you to add employees, to maintain activity slips and time sheets, to process pay, to produce payment summaries, and also to create the annual summary of payroll information required by the ATO known as the EMPDUPE files. Using a computerised payroll system can be a major timesaver at the end of the payroll year. The latest Australian version of AccountRight Plus will have a feature that used to only be found in AccountRight Premier. The inventory module features a selling price matrix, which enables you to have multiple selling prices for an individual item.

AccountRight Premier

As your business grows and you require two or more people to access your MYOB software simultaneously, you can upgrade to AccountRight Premier. This is a networked version that allows up to three users to operate MYOB simultaneously. You can purchase additional user licences for this purpose. It's advisable to engage a networking expert to install your MYOB AccountRight software, as incorrect installation will affect the software's performance. AccountRight Premier has a couple of additional features. You can activate a multicurrency function that allows you to record import and export transactions in any foreign currency and to track realised and unrealised exchange gains and losses.

Choosing the right package

Over the years that I have worked in this field, I have seen many business owners struggling to work with packages that are wrong for them. They have either been oversold on features that they don't need or overwhelmed by unnecessary expense, or the package they are using simply doesn't meet their reporting requirements.

When you are investigating your options, here are the questions you need to ask:

- ▶ *Costs.* What are the upfront, ongoing and associated costs of the package? Typically, there will be the initial purchase cost plus the cost of installation. A rule of thumb when estimating a training budget is to allow the same amount as was spent on the purchase and installation of the software. There may also be annual upgrade costs; for example, to make full use of the payroll function in MYOB AccountRight Plus you must pay for new payroll tax tables every year. Hidden costs may include ongoing training, IT assistance, setting up a back-up system, and upgrading your computer and server hardware, depending on the size of your system.
- ▶ *Accountant preference.* What software does your accountant recommend? Is your accountant familiar with MYOB? (You do need to ask—don't just assume that he or she will be.) If so, does your accountant use the MYOB Accountants Office suite (the accountants' software for processing clients' MYOB files)? If not, your accountant may charge an additional fee to cover the cost of adapting your financial records to the system he or she uses.
- ▶ *Support.* What support is available when you have questions or need advice? Of all the accounting software products available in Australia, MYOB must be number one for support options. Within MYOB there are built in Help options, and online there are comprehensive support notes at <www.MYOB.com.au/supportnotes>. For a nominal subscription fee, MYOB Cover provides phone and instant chat support during office hours. The cherry on the cake is that MYOB has a team of

800 Certified Consultants across Australia and beyond for on-site support.

Navigating MYOB

Even software undergoes facelifts. MYOB software has dramatically changed its look recently. This book has been developed using the latest screenshots available. But if you plan to work through this book using an existing data file, or you are working in an environment where the MYOB screen looks different from what you see here, there is no need to stress. You will find that most things are essentially the same, and I will guide you through any major differences.

The PC-based software is covered in this book. There are three products available for Macs. Once you are within the Mac software, you will find that the orientation is very similar to that of the PC version. MYOB now offers online or cloud-based software called LiveAccounts, but this product is beyond the range of this book.

Essentially, your MYOB software is a database of information that intersects at various points to create a transaction. The database consists of many different types of lists: account codes, tax codes, customers, suppliers and so on. These lists should be concise and relevant to your business's transactions. As we work through the different Command Centres, we will explain how you can edit the lists to customise them for your business. At a bare minimum, an individual transaction involves a general ledger account code, a tax code, and a customer, a supplier or an employee. Grab a cup of tea and let's get started!

Day 1

Accounts Command Centre and Card File Centre

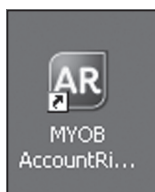
Key terms and concepts

- ▶ *General ledger account*: a collection of ledger accounts into which transactions are posted in total from journals. It holds the details of business transactions of the same type—that is, transactions related to particular types of asset, liability, income, owner's equity and expense items.
- ▶ *Chart of accounts*: a list of all the account names and numbers used in a business's general ledger, organised in such a way that it reflects the financial structure of the business. It serves as an index, enabling a given account to be located within the ledger.
- ▶ *Goods and services tax (GST)*: a tax on goods and services sold within Australia. The tax (currently 10 per cent) is collected by the provider of the goods or service and remitted to the **Australian Taxation Office (ATO)** on a quarterly basis.

To start learning MYOB, your first step is to install MYOB software on your computer if it's not already there. You can download a free trial version of MYOB software from <www.MYOB.com.au>. To fully benefit from this book, I suggest you download MYOB AccountRight Plus if you use a PC or MYOB Account Edge if you use a Mac. Even if you have other MYOB software, you may like to do this for the purpose of working through this book. You will be able to create a data file that will last for 30 days, which is sufficient time to undertake all the exercises in this book.

Once you've installed MYOB AccountRight Plus, an MYOB AccountRight Plus icon will appear on your desktop (see figure 1.1).

Figure 1.1: MYOB AccountRight Plus desktop icon



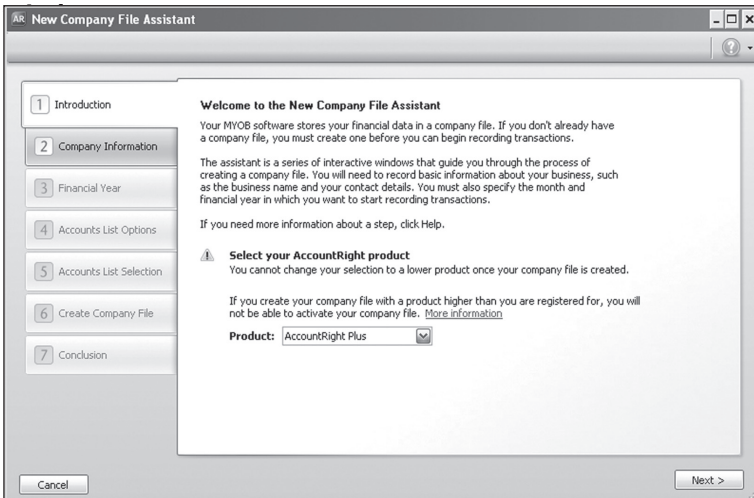
Double-click the icon, and the MYOB welcome screen opens (see figure 1.2). This gives you access to the company data file.

We will start by creating a brand-new company file. The activities in this book are oriented around a small fitness studio called Green Apple Gym. Click 'Create a company file' on the left-hand side, and the New Company File Assistant: Introduction window opens (see figure 1.3). At this stage you can choose the MYOB product you wish to create: AccountRight Basics, AccountRight Standard or AccountRight Plus. Select AccountRight Plus.

Figure 1.2: MYOB welcome screen



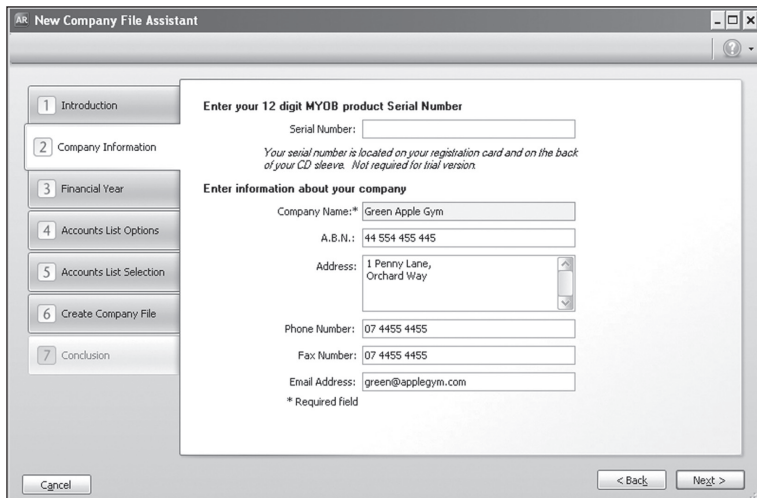
Figure 1.3: New Company File Assistant: Introduction



On the left-hand side of this screen you will see a **wizard** with seven tabs. The tab that is currently active is always violet. I encourage you to read the information on the MYOB screen, but I will specify the required options as we work through the wizard.

Click the Company Information tab, and the New Company File Assistant: Company Information window appears (see figure 1.4). The contact information that is entered here will feed through to other areas, such as reports and invoices. Fill out the fields with the information shown in this window. As you click through to the next field, the tabs along the left-hand side will become active. For the purpose of working through this book I suggest that you use the data I provide. Once you have completed the seven-day course you can go back to the start and enter your own data if you wish, as you are able to create an unlimited number of trial MYOB data files.

Figure 1.4: New Company File Assistant: Company Information window



Click the Financial Year tab, and the New Company File Assistant: Financial Year window will open (see figure 1.5). This is where you enter the financial year you wish to start with. If you wish to enter data from a previous year, you will need to change the default financial year. If your business does not run along the standard 1 July to 30 June financial year, you can change the last month of the financial year here.

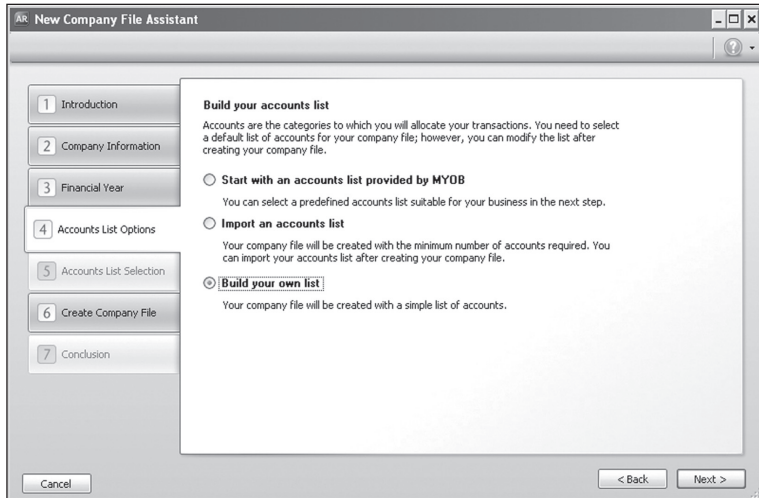
Before you move on, check that you have selected the correct financial year for your business, as you cannot change it later on. For the purpose of this exercise, accept the default fields that appear, which should reflect the current financial year.

Figure 1.5: New Company File Assistant: Financial Year window

Click the Accounts List Options tab, and the New Company File Assistant: Accounts List Options window opens (see figure 1.6, overleaf). This area allows you to choose how you will set up the company's **chart of accounts**. As you can see, you have three choices. You can use the industry-specific list

defined by MYOB; or you can import an accounts list; or, as we are going to do, you can select the third option, 'Build your own list'. Once you've selected the third option, the Accounts List Selection tab is deactivated and fades to grey.

Figure 1.6: New Company File Assistant: Accounts List Options window



Click the Create Company File tab, and the New Company File Assistant: Create Company File window will open (see figure 1.7). Here you can specify where you want to save the data file. You will notice that the software has created an area called 'My Library'. For our purposes it's fine to accept the default library area. Once you have entered all the information, click Create Company File, and MYOB AccountRight Plus will take a few moments to create your new company file.

Once the new data file has been created, the New Company File Assistant: Conclusion window opens (see figure 1.8). Click the Command Centre button to access the company data file for the Green Apple Gym.

Figure 1.7: New Company File Assistant: Create Company File window

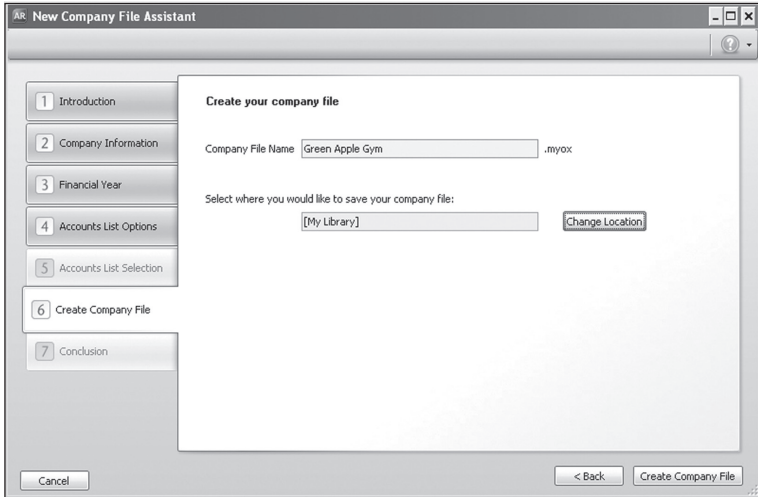
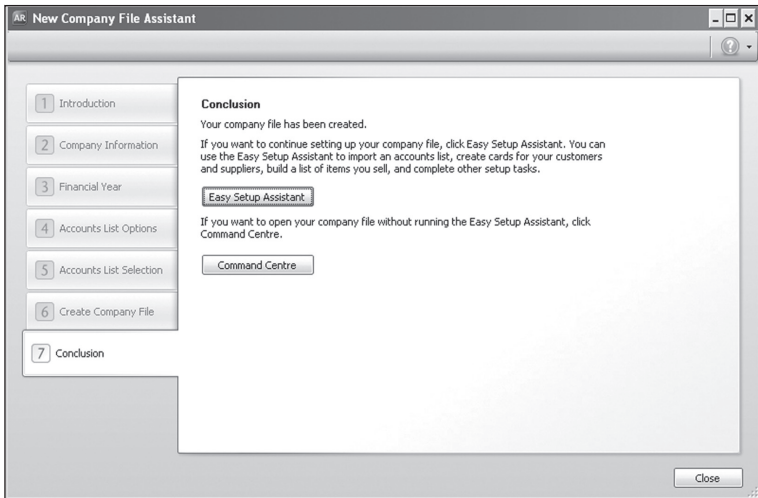


Figure 1.8: New Company File Assistant: Conclusion window

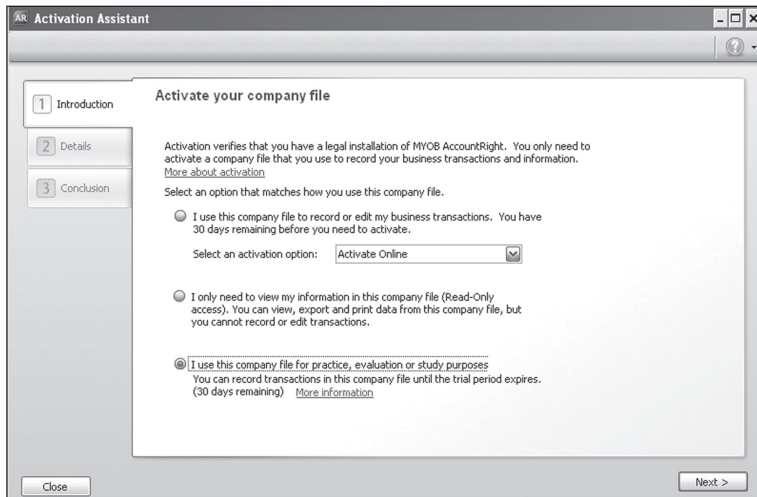


Note

If you close the data file before you have reached the end of this chapter, you will find instructions for opening the data file at the start of day 2.

The Activation Assistant window opens (see figure 1.9). It is at this window you would activate your purchased MYOB AccountRight software. Instead select the third option, 'I use this company file for practice, evaluation or study purposes.' Click Next and click OK at the next Information window.

Figure 1.9: Activation Assistant window

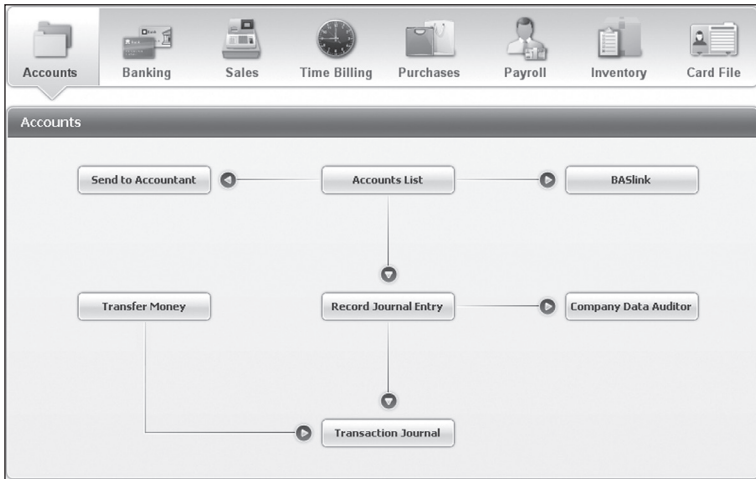


Orientation

Figure 1.10 shows the Accounts Command Centre home screen, which is essentially the MYOB home screen. While the basic elements are always as shown here, the specific

information changes according to the Command Centre you have selected.

Figure 1.10: Accounts Command Centre home screen



If you ever get lost within MYOB, click Esc (escape) on your keyboard—you may need to do this a few times—and you will return to this screen. If you are using a different version of MYOB, you may not be able to see all the icons across the screen. In this case click the maximise box in the top right-hand corner to make the screen full-size.

Menu bar

The menu bar at the top of the screen (see figure 1.11) looks and works very much like the menu bars in Microsoft software.

Figure 1.11: Command Centre menu bar



Most areas within MYOB AccountRight Plus can be accessed via the drop-down menus on the menu bar. Take some time to explore the different options available; most options are self-explanatory. Some may be greyed out, which means that those options are inactive at that point. The wording of options may change depending on which screen you are in.

Turbo Tip

The key to speeding up data entry is to use shortcut keys. Fast bookkeepers never touch the mouse; they process all data entry through shortcut keys. The available shortcut keys are shown on the menu bar's drop-down options. (The terms 'drop-down options' and 'drop-down menus' can be used interchangeably.) They typically consist of a combination of keys—for example, Ctrl + Y for Find Transactions.

Shortcut keys are one of three symbols you will see on the drop-down menus. These symbols are explained in table 1.1.

Table 1.1: symbols used on the MYOB menu bar's drop-down options

Symbol	Explanation
▶	An arrow pointing right directs you to further drop-down options.
...	Three dots (an ellipsis) indicate that a new window or dialogue box will open when you select this option.
–	An underscored letter indicates a shortcut: press Alt (or Command on a Mac) followed by the underlined letter to execute the relevant command; e.g. F indicates that Alt + F will open the File drop-down menu.