

E Accounting

E-accounting is the application of online and Internet technologies to the business accounting function. Similar to e-mail being an electronic version of traditional mail, e-accounting is "electronic enablement" of accounting and accounting processes which are more traditionally manual and paper-based.

E-Accounting is a term originally coined by Joanie Mann at InsynQ one of the founders of the ASP industry, and was introduced in 1998 along with InsynQ's hosted QuickBooks offerings under the banner of InsynQ Accounting Solutions, and later CPAASP.

E-accounting involves performing regular accounting functions, accounting research and the accounting training and education through various computer based /internet based accounting tools such as: digital tool kits, various internet resources, international web-based materials, institute and company databases which are internet based, web links, internet based accounting software and electronic financial spreadsheet tools to provide efficient decision making.

Uses

- Accounts Payable
- Accounts Receivable
- Payroll
- Job Costing
- Financial Write-up and Reporting
- Bank and account reconciliations
- Quarterly Tax Reporting
- Compliance Reporting
- Tax Return Preparation
- Internal financial consultant
- Establish the control system
- Inform those concerned of financial condition
- Supply the business with adequate information
- Maintain contact with government agencies, bankers, etc.
- Provide insight, courses of action
- Facilitate future planning and growth

Benefits

- No need of in-house bookkeepers' training and expertise
- No problems with employee turnover, vacations, sick leave and absenteeism
- No communication difficulties between the accountant and business owner or organization due to load / work pressure.
- The business organization concentrates on the revenue side of business, and spends as little time as necessary on the accounting and payroll function.

Maximum resource utilization.

- The accounting function receives attention only when a critical need arises. No time wastage.
- Up to date information which is available in realtime.
- No need of Hiring/Training accounting and payroll staffs.
- No Payroll related costs, FICA, workers compensation, unemployment, vacation/sick benefits, health insurance benefits, and many other expenses.
- No need to upgrade software and annual updates from client side.
- Check and monitor office supplies (check stock, paper stock, envelopes, toner)
- No additional bank charges
- Cost saving on office space (rent for additional offices)

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Online accounting relates to accounting that can be done on the World Wide Web. It usually implies use of a web application that works through a browser without buying or installing any software. It is typically based on a simple monthly charge and zero-administration approach to help businesses concentrate on core activities and avoid the hidden costs associated with traditional accounting software such as installation, upgrades, exchanging data files, backup and disaster recovery.

Characteristics

A real online accounting or bookkeeping service can be recognized by the following characteristics which all make for a much more efficient accounting process:

- Multi-user access
- Multi-site access
- A single / multiple, shared database(s)
- Zero system administration for end-users
- Very economical to provide service to large number of clients
- Enhancements and fixes continuously developed and installed by service provider

Benefits

- Save time and money;
- Gain greater control of finances by moving from paper records to computerized accounting software;
- Transactions that affect your bank account can be sent automatically to the online accounting application;
- Send sales invoices and other documents directly to another business's accounts for the recipient to approve without having to reenter the information;
- User friendly GUI interfaces.

"Online office" suites are offered by websites in the form of software as a service. They can be accessed online from any Internet-enabled device running any operating system. This allows people to work together worldwide and at any time, thereby leading to international web-based collaboration and virtual teamwork. Usually, the basic versions are offered for free and for more advanced versions one is required to pay a nominal subscription fee.

Essential Features

- The ability to use the common software-based office tools online.

Advantages

- The cost is low (in some cases : free)
- No software is required to be downloaded and installed.
- No upgrading hassles when new features are added or bugs eliminated.
- They can run out of thin clients with minimal hardware requirements.
- They also provide the ability to share a document with several users without your own server.
- No need to purchase or upgrade a software license. Instead these are available as software as a service.
- They are portable. You can access your documents from almost any computer with a broadband connection.
- If your computer crashes, your documents are still safe on the server.

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Disadvantages

- Data security — All your data resides on a remote server: however, a back up can be taken regularly.
- Speed — Most of the currently available online office suites require a high broadband Internet connection.
- Lack some features available on the offline office suites: but this is progressively becoming available (MS LIVE, Google online-Suite, Thinkfree, Zoho Office, InternetOffice.Biz and eDeskOnline)
- A network connection (usually Internet access) is required to send and receive changes. That is, internet dependence makes it more difficult to work offline.

Components

An online office suite normally includes a broad set of the following applications:

Document creation and editing applications

- Word processor
- Spreadsheet
- Presentation program
- Flowchart
- Raster image processor

Publishing Applications

- CMS
- Web portal
- Wiki
- Blog
- Forums

Collaborative Applications

- E-mail
- Instant messaging (VoIP)
- Calendar

Management Applications

- Data management
- Project management
- CRM
- ERP
- Accounting