The Institute of Certified Bookkeepers
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Client eBrief

Institute of Certified Bookkeepers
Making you count

Understanding the Cloud

What is the Cloud? (To access this guide, go to Xero–Small Business Guides)
The cloud is where you put all your data, all your files and even your software so you can access if from any computer or device anytime, anywhere. Xero are tackling the tough questions about cloud computing so you can be prepared before moving your business to the cloud.
Isn't cloud computing just the internet? You use the internet to connect your device to the cloud, but the internet is just the connection – the cloud is where your data lives.
Isn't it possible to lose your data in the cloud? Your data is actually much safer in the cloud than on your computer. Your computer can be stolen or corrupted quite easily, but cloud companies spend millions on systems and experts to protect your data.
Is 'the cloud' an Apple product? Apple has a product called the iCloud, which uses cloud technology, but many other companies provide products in the cloud such as Google, Dropbox and Xero.
Aren't you stuck if the internet goes down? These days the internet is like electricity, it's very rare for it to go down and when it does you jut have to wait a short time for it to be available again. In the meantime your data is safe in the cloud.
Isn't cloud computing just a fad? The cloud has been around for years and it's only getting bigger. Internet banking started over 15 years ago. Now the technology is so fast and cheap that it's being used for everything.
Don't I lose control of my data? You actually have much more control of your data, since you can access, share and work your info, anywhere, anytime on any device. You also control who has access – which you can revoke in an instant.

MYOB Cloud Tips

MYOB top five tips for cloud computing to empower SME's

1. Research trustworthy cloud service providers. Important criteria when researching providers includes their credibility, technology and reputation. Consider seeking advice from IT consultants, financial advisors and other business owners.
2. Review benefits and considerations of different cloud models. You'll discover cloud computing can take on many forms: some require you to learn new skills, others only work when you're connected to the internet, and others also work in offline modes. Focus on the benefits for your business and then determine the technology required. E.G if you're interested in the ability to have online, offline access to your data anytime, anywhere then cloud-enabled software solutions offer the best of both worlds; cloud, desktop or both.
3. Prioritise security. The cloud involves accessing applications, information and data over the internet, via a third-party provider. Therefore their policies and procedures should be robust. This includes physical security as well as firewalls, anti-virus, disaster recovery, auditing and testing.
4. Read the fine print. Check on any hidden costs, add-on, features that will have additional costs.
5. Evaluate your own IT process and systems. Each business is unique with varying budgets. Evaluating your own IT process and systems is essential before migrating to the cloud. E.G. will you require cloud access for all staff and for multiple devices such as computers, tablets and smart phones? What areas of your business will truly benefit from incorporating the cloud? A good provider will help you budget and plan for the future. Take the time to map out a transition plan to help make the move to your chosen cloud solution smoother and easier.

ATO Lodgement Dates

These dates are from the ATO website and do not take into account possible extensions. Contact us to establish when your information is required for lodgement. You remain responsible for ensuring that the necessary information is with us in time.

BAS/IAS Monthly
Lodgement – February Activity Statement: 21st Mar 2013 final date for lodgement and payment

BAS/IAS Monthly
Lodgement - March Activity Statement: 21st Apr13 final date for lodgement and payment

3rd Quarter of FY2013: **BAS lodgement – March Quarter (including PAYGI)** 28th April13 final date for lodgement and payment.

Superannuation – 3rd Quarter of FY2013: **SGC March Quarter** 28th April 2013 final date for lodgement and payment.

Refer to the ATO for details regarding the Superannuation guarantee Charge applicable. If you do not pay the SGC by this date the SGC is not tax deductible.

Where a due date falls on a day that is not a business day (that is, the due date is a Saturday, Sunday or public holiday), lodgement or payment may be made on the first business day after the due date without incurring a penalty or general interest charge(GIC).

Budgets and Cash Flows – explaining the difference Information supplied by Calxa

The difference between a budget and a cash flow forecast can sometimes be confusing. They can seem to show similar information yet both are very different and have different uses. Both are essential for the accurate financial management of your organisation.

A budget details what you plan to do with your finances for the relevant period of time. This is usually over 12 months, and focuses on profit. In addition:

- Accruals and other non-cash adjustments such as depreciation are often included
- A Budget also reflects the planned objectives of what the organization is trying to achieve and is linked to the strategic and business plans.
- A budget also provides a benchmark to then monitor performance. After each month you can compare what actually occurred against what was budgeted or planned to occur.
- Usually the full year budget is broken down into months

A budget is **NOT** used to monitor the amount of cash in the bank accounts. That is where the cash flow forecast comes in.

A cash flow forecast details when the actual receipts and payments are likely to occur.

- A cash flow forecast reflects when the actual income and expenditure is transacted into/from the actual bank account
- It is not based on accrual accounting and adjustments, such as, depreciation are excluded
- The full year cash flow forecast is mostly broken down into a month by month basis. But in some instances it can be further broken down into fortnightly or even week by week depending on the circumstances

The main difference between a budget and a cash flow forecast is based on:

1. The type of the transaction and;
2. The timing when receipts and payments will occur

As a simple example: a budget will record the income when you have sent out the invoice whereas your cash flow will record it when you actually receive the amount into your bank account.

One point worth mentioning is not to assume that debtors will pay the following month. Often it may be later which is why it is important to know your average debtor days which may show that payment occurs typically 64 days after sending out the invoice.

This also highlights the value of knowing some important Key Performance Indicators (KPI's) such as:

- Debtor Days
- Creditor Days
- Inventory turnover days
- Working capital ratio

Understand the difference between a budget and a cash flow forecast and you will be well on the way to managing your finances.

This information can be found on the Calxa website: www.calxa.com.au

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