

*The QuickBooks Cookbook™ Series
Supplement 2016-1...*

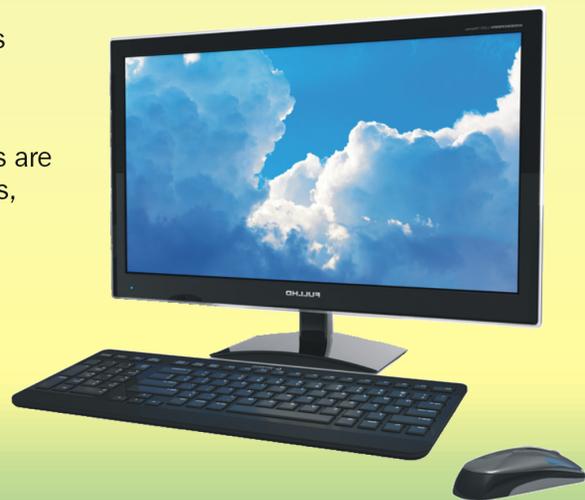
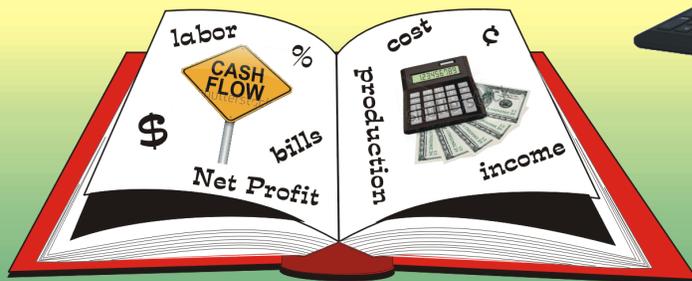


Using QuickBooks From Anywhere:

QuickBooks Online, Remote Access For QuickBooks Desktop, The Cloud, and More



- ✓ Why you should care about remote access to QuickBooks
- ✓ QuickBooks Online is “new” but is it the best choice for you?
- ✓ QuickBooks Online vs. QuickBooks desktop features & differences
- ✓ What are your QuickBooks remote access options? What do they cost?
- ✓ Which QuickBooks options are best for my small business, farm, or ranch?



Mark Wilsdorf

The QuickBooks Cookbook™ Series, Supplement 2016-1...

Using QuickBooks from Anywhere: QuickBooks Online, Remote Access for QuickBooks Desktop, the Cloud, and More

by Mark Wilsdorf

PUBLISHER

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U.S.A.

www.goflagship.com

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Revision date: 5/28/2016

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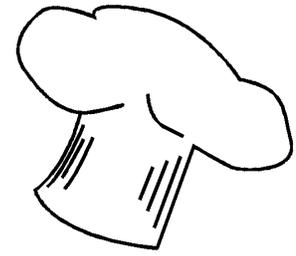
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or others in the QuickBooks Cookbook™
series, visit our Books page on the Web:***

www.goflagship.com/books/

Introduction



This book was written for you, if you are someone who uses (or is thinking about using) a QuickBooks software product and are asking questions like:

- *How are QuickBooks Online and the desktop editions different? How are they similar?*
- *Will I be missing out on something if I don't switch from the QuickBooks edition I use now, to QuickBooks Online?*
- *Should I care about having remote access to my QuickBooks records?*
- *If so, do I need QuickBooks Online or are there other options?*
- *Can I access a QuickBooks desktop edition remotely?*
- *What would remote access to QuickBooks cost me? Are there less expensive alternatives?*
- *Which QuickBooks and remote access options are best for my business?*
- *Where should I go from here?*

The goal is to give you the information you need for answering these questions—to give you "all of the pieces of the puzzle"—without having to spend hours searching the Web for bits and pieces of information here and there, on dozens of Web sites.

About this book and agriculture

The focus of much of the QuickBooks Cookbook™ series, of which this book is a part, is on using QuickBooks in agriculture. This book, however, contains very few agriculture-specific recommendations—most of them reserved for the [last chapter](#)—making it broadly applicable to any kind of business.

A bit redundant? Yes...

Like other titles in the QuickBooks Cookbook™ series, this one is designed for the way busy people read a technology book—by skimming and sampling rather than reading everything cover to cover. For that reason,

some of the same comments and observations are intentionally repeated in several places.

QuickBooks Products: A Moving Target

By any definition, the entire collection of QuickBooks software products (QuickBooks Online, QuickBooks desktop editions, TurboTax, etc.) and services (QuickBooks Payroll and many others) is a rapidly moving target.

There are multiple editions of the QuickBooks desktop editions and of QuickBooks Online, each with a different range of features and capabilities. Besides the different editions, any discussion of QuickBooks desktop features must also include a mention of which year version you're talking about: 2016? 2015? 2014?, etc.—because features are added or changed every year (or actually more often, now that Intuit is releasing new QuickBooks desktop features via updates during the year). While there are no different "year" versions of QuickBooks Online, Intuit may roll out changes and new features every few months. The QuickBooks Online edition you use today may have new/different/changed features from the edition you used last week.

★  [Intuit](#) is the producer and marketer of QuickBooks and related software products and services such as QuickBooks Online, QuickBooks Pro/Premier/Enterprise, TurboTax, and others.

And then there's the QuickBooks pricing. Prices for the desktop editions used to follow a somewhat regular pattern, year to year. But now prices may change at any time, for any of the QuickBooks products. Intuit also offers special pricing to QuickBooks resellers and QuickBooks Professional Advisors from time to time, which make for widely ranging street prices for QuickBooks Online and for the QuickBooks desktop editions.

Another wrinkle is subscription pricing. At first, only QuickBooks Online was sold on a monthly subscription basis while the desktop editions continued to be sold as outright purchases. But now some of the desktop editions are available for purchase either way—outright, or by subscription.

Finally, consider the thunderous rate of change in Internet-related technologies. New services and hardware are introduced every day, offering improved features, speeds, and capabilities.

All of this makes it nearly impossible for QuickBooks-oriented technology discussions (like this one) to be current for very long. The hope is that this book can give you the information you need for *asking the right questions* along the way, even as some of the details it discusses change or become outdated.

Special Symbols and Information

Text Styles and Special Symbols

Here are the meanings of text styles and special symbols used through this book:

Vendors > Pay Bills

Indicates a series of menu selections. This example means to select **Vendors** from the main menu, then **Pay Bills** from its submenu. (The ">" character is included to separate the individual selections.)

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Clickable links preceded by a small "earth" graphic link to an external Web page.

 7

Print versions of this book display references to other pages as a small page symbol containing a page number. This example is referring to page 7.



Informational note.



Technical note.



Warning or cautionary note.



General notes and comments.



Hints, tips, and ideas.



Discussions of accounting theory, or special accounting topics.

QuickBooks Abbreviations

For simplicity and to save space, these abbreviations are used in place of the full names of various QuickBooks editions:

QBO QuickBooks Online, or any of the QuickBooks Online editions such as Simple Start, Essentials, or Plus.

QBDT The QuickBooks desktop editions such as Pro, Premier, Accountant, and Enterprise.

Google Search Links

You will find three kinds of clickable links in this book:

- **Links to other pages** in the book.
- **Links to external Web pages**, which are preceded by an  (earth) symbol.
- **Google search links**, which appear like the example below. Clicking on the link will open a Google page in your Web browser, with a search for the words shown in the link—go ahead, try this one if you like:

 [QuickBooks invoice calculation add-ons](#)

E-Book Format

E-book editions of this book are provided in a format which can only be read using the  [Javelin Reader](#), which is a **free download** (or **free app**) available for these computers and mobile devices:

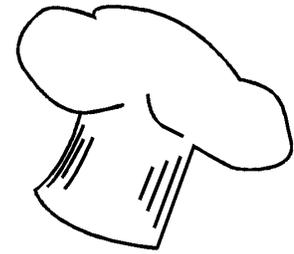
- **Microsoft Windows**
- **Apple Mac**
- **Apple iPhone & iPad**
- **Android mobile devices** (including Kindle Fire)

About QuickBooks Cookbook™ Supplement Editions

This book is one of the supplement editions in the QuickBooks Cookbook™ series from Flagship Technologies, Inc. The supplement editions are produced with the following goals in mind:

- Keep the supplement editions short and low cost (or free in some cases), and provide them in an e-book format, so you can get just the information you need and have it immediately, but without paying a lot.
- Address topics which have a short "shelf life", to provide information you need now, rather than waiting to address those topics in a printed book.
- Address minor topics which may or may not make it into one of major-topic books in the QuickBooks Cookbook™ series.
- Address advanced topics or topics of interest to a small number of readers, to make information available which might be too specialized to include in a book aimed at a more general audience.
- Use the same e-book reader technology for all titles in the QuickBooks Cookbook™ series, to allow maintaining a "catalog" of all available titles, for easy, direct access to all of them from within the e-book reader, and on multiple devices (Windows and Macintosh PCs, as well as Apple and Android mobile devices).

QuickBooks, QuickBooks Online, and the Cloud



About this chapter

This chapter lays out some of the differences and questions to ask, surrounding the choice of whether to use QuickBooks Online versus the QuickBooks desktop editions.

"Why Should I Care about Remote Access to QuickBooks?"

"Why do I need remote access to QuickBooks? The computer that's here on my desk is where my QuickBooks file is located—why would I care to access it 'remotely'?"

Maybe you will never use any kind of remote access for your QuickBooks accounting records, but I wouldn't bet on it. Even if you don't see a need for it today, you might tomorrow. The topics below explain why.



Before we continue: what do "QBO" and "QBDT" mean?

Though mentioned in the prior chapter, here is another look at two abbreviations used throughout this book. I am repeating their definitions here in case you missed the earlier mention of them, and because knowing what they mean is crucial for understanding almost everything we will be talking about.

- **QBO** is an abbreviation for QuickBooks Online, Intuit's cloud-based QuickBooks software product or any of its various editions.
- **QBDT** is an abbreviation for QuickBooks desktop. It is a shorthand way of referring to all of the QuickBooks desktop software editions (QuickBooks Pro, Premier, and Enterprise; plus a few older QuickBooks product names); programs which are installed and work directly on either a Microsoft Windows or Apple Macintosh computer.

Online access: from any location, by multiple users

Being able to access your accounting records from anywhere can make them more valuable than they already are. Remote access can let you look up a bill while you're standing at the customer counter at your local farm supply dealer, discussing a billing error with the bookkeeper. Or it can let you look up what you most recently paid for engine oil or anhydrous am-

monia or a bulk feed ingredient, while considering whether or not the dealer's current price is a good deal.

Financial incentives (keeping costs down for outside services)

While there are not yet many financial incentives for remote access, they're coming. Someday your accountant or tax preparer may either give a discount for being able to access your records remotely (directly from their office, without transferring files by email, flash drive, or other means), or they may charge higher fees if you don't provide remote access to your records. (Many CPA firms already charge different fees depending on how easily they can access clients' records.)

May streamline working with your accountant

Being able to provide your accountant with remote access to your QuickBooks data can also provide other benefits besides possibly reducing the fees they charge you.

For example, if you hire an accountant to enter bills and receipts or make monthly adjusting entries, giving them remote access to your QuickBooks data means you won't have to physically transfer files to/from them, or manually import their entries into QuickBooks, or "check in" an Accountant's Copy of your QuickBooks file.

★ **An Accountant's Copy** is a QBDT feature which lets an accountant make changes in a special copy of your QuickBooks records while allowing you to continue using QuickBooks to enter transactions. The Accountant's Copy must be "checked in" to incorporate the accountant's changes into your main QuickBooks company file.

With remote access, your accountant can make entries or changes directly in your QuickBooks records—or get reports for things like income tax preparation—without leaving their office, and with little involvement by you.

⚠ **Before switching QuickBooks versions, be sure to consult your accountant.** Many are happy to work with either QuickBooks Online or the QuickBooks desktop editions, but some accountants strongly prefer to work with one or the other, or may even refuse to work with one or the other (usually for specialization reasons).

Easier information sharing with business partners or shareholders

In most partnerships either one partner keeps the accounting records, or the partnership hires a bookkeeper who keeps the records. In either case, remote access can give all partners (or shareholders in a closely-held family corporation) the same level of access to records and reports throughout the year, regardless of where they are located.

To have access to software add-ons you may want to use

- ★ **QuickBooks add-ons** are apps (programs) which work with QuickBooks and/or QuickBooks data to provide features or capabilities which QuickBooks alone does not provide.

The availability of cloud-based QuickBooks add-ons is growing by leaps and bounds. Software developers have conceived of a wide range of applications to tie into your QuickBooks database. They can provide access to your customer or vendor lists via a smartphone; send a group e-mail to a selected list of customers or vendors; show the current quantity, value, and location of your grain inventories; scan and store credit card receipts; and so on. Many such applications currently can work with either QBDT or QBO, but over time expect a greater portion of these services to work only with cloud-based accounting products like QBO.

Because you may be "forced" to

No matter how much you may like your current accounting software, such as QuickBooks desktop, software obsolescence may someday push you into using an online accounting product.

Most new software development is weighted toward cloud-based applications, not desktop applications. For applications which come in both desktop and cloud versions, the "latest and greatest" features of many will someday be available only in the cloud version. And in some cases the desktop version will eventually be phased out. Even Microsoft Office, once the most popular office suite application installed on Microsoft Windows computers, has moved toward being offered only in cloud-based versions.

- ★ **I'm not a cheerleader for moving everything to the cloud.** Cloud computing still has lots of wrinkles and problems remaining to be hammered out including concerns about data security, service outages and reliability of data access, lack of direct control over data, etc. But I'm here to tell you what is likely to happen, not whether all of it is a *Good Thing*.

Intuit is putting a lot of development resources (people and money) into adding features to QBO. Once QBO reaches a point of having features equal to at least the low-end desktop editions (currently QBO lags behind in some areas) it is conceivable that Intuit will phase out low-end desktop editions such as QuickBooks Pro.

- ★ **Don't worry, the desktop editions aren't going away any time soon.** Though QBO is gaining market share relative to the desktop editions Intuit seems intent on keeping QBO simple to learn and use. A fact of software functionality is that software cannot be kept "simple" while at the same time giving it advanced features. So, though QBO may someday replace the lower-end QBDT editions like QuickBooks Pro, it is less likely

to replace higher-end QuickBooks products like QuickBooks Premier or QuickBooks Enterprise. Recent new feature additions to QuickBooks Premier and QuickBooks Enterprise suggest that Intuit is continuing to work at maintaining them for the long term.



QuickBooks Online is not the automatic best choice for remote access to QuickBooks data!

You may think that much of what I've said above suggests you should move to QuickBooks Online. But that's not at all true, at least not yet. QBO is a viable choice for *some* users, but the "biggest bang for your buck" right now—to get the features and flexibility you need at the lowest cost—might come from using a QuickBooks desktop edition along with a service which lets you access your QuickBooks desktop records remotely (from other locations and/or by multiple users).

The next chapter will discuss your remote access options.



Benefits of giving your accountant access to your QuickBooks records

Depending on the kinds of services your accountant provides to you, granting him or her access to your QuickBooks data remotely can provide significant benefits.

Transaction entry. Do you mail or drop off receipts at your accountant's office and let their staff enter them into QuickBooks? Or have you ever wanted to off-load some of the transaction entry work to someone else? Shared access to your QuickBooks company file makes that much easier than it has ever been. Your accountant can accept and enter paper receipts for you, yet you can still make other entries or changes, because both of you have access to the same QuickBooks data.

Accounting advice. Have you ever phoned your accountant to ask how to properly handle a complex or unfamiliar transaction? With remote access you can *both* be viewing the same transaction while you discuss it over the phone.

Professionally prepared financial reports. Does your farm business regularly prepare financial reports for partners, shareholders, or a lender? And do you have an accountant prepare them to assure correctness? With remote access, your accountant can do that job in his or her office, without sending files back and forth by email, flash drive, etc.

Tax preparation. Quite a few tax preparers will directly accept a copy of your QuickBooks company file and use it to prepare your taxes. But you have to get a copy of the file to them by mailing or dropping off a flash drive, or maybe by email. If they make changes to the file, you have to get a copy of the changed file back and restore it on your computer. With remote access the process is a lot easier. They can work with the QuickBooks company file directly, and any changes they make will be immediately accessible to you.

The Cloud: What it Is, and Isn't

The term "cloud" gets thrown around a lot these days without everyone having a solid idea of what it means. Here are some working definitions so you can understand what I mean by "cloud" versus "desktop" software in the discussions that follow.

Desktop software means programs (also called applications, or "apps") which are installed on and which run entirely on your own computer—or on another computer on your network if you have multiple computers networked together.

Cloud-based software means programs (also called applications, or "apps") which are installed on some computer *other than* a local computer or network, and which you access via an Internet connection. Most cloud-based software is run from within a Web browser like Internet Explorer, Firefox, Safari, or Google Chrome. The Web browser itself *is* desktop software—it is a program installed on your local computer—but it only provides your local computer with the ability to use cloud-based applications which are actually running on a computer "somewhere in the cloud" (typically on a computer referred to as a *server*, because it "serves" the application to you).

 **It's not quite correct to say that a Web browser running on a mobile device is "desktop software",** but the idea is the same. A Web browser running on a smartphone is installed on, and operates on, the phone's internal system, though it can be used for displaying Web pages or using programs which are running on a server computer somewhere else, over an Internet connection.

So physically speaking, what is the cloud then? The term "the cloud" is really just a reference to the worldwide collection of computers and networks which are all connected to each other by the Internet.

The main thing that really makes it "the cloud" is that the various computer(s) involved in serving an application to your Web browser may be located anywhere, not necessarily in the same physical location. For instance, the address you type into your Web browser to run an application like QuickBooks Online or Google Docs might access a server in Anaheim, California or Atlanta, Georgia, while the data those cloud applications work with may be stored on a server in Portland, Oregon or Milwaukee, Wisconsin. Fast Internet connections make it possible for vendors of cloud-based software to purchase computer processing power and data storage services wherever they can get the best service or the best price—similar to the decision you make when choosing a cellular service provider.

"Remote access" *does not* necessarily mean "cloud-based"

In case you've made some wrong assumptions based on things you've heard or read, I need to clarify one point: *remote access* and *cloud-based* are not equivalent. You can access an application like QuickBooks remotely (i.e., from some other location) without it necessarily residing in the cloud.

By definition, any application that is *cloud based* (running on a server computer somewhere in the cloud) can only be accessed remotely, because the application runs on a computer located somewhere else and can only be accessed across an Internet connection.

But an application you access remotely does not have to be on a computer in some obscure location unknown to you. In fact, with the proper software you can run a program residing on your own computer. For example, you could access a QBDT edition running on your office computer from a smartphone, or from a computer at your CPA's office, or from anywhere else with Internet service. So, *remote access* can also mean using a service which lets you access applications and data on your own (or someone else's) computer, not just applications located on servers at unknown locations "somewhere" in the cloud.

Computer professionals will tell you this distinction is a blurry one. In some ways, every computer connected to the Internet is part of the cloud. Also, the software or service you might use to access your office computer from a smartphone *does* reside somewhere in the cloud, even if the data you are accessing (accounting records on your own computer) does not.

The point I want to make is that having remote access to applications such as QBDT running on your own computer is not quite the same thing as running a cloud-based application like QBO. With remote access to your own computer you are responsible for—and in control of—the software and the data that it stores. You can copy it, move it, make backups of it, and so on. With a cloud-based application both the software and the data are managed and controlled by someone else, and usually none of the data gets stored on your personal computer.

Cloud-based Apps: Pros and Cons

Why is there such a push is to get most software into the cloud? There are significant benefits in being able to run programs and access data from anywhere, while paying someone else to do all the dirty work of installing and maintaining the software, making backups, dealing with computer hardware glitches, etc. But despite the hype surrounding cloud-based computing, moving all of your computer activities to the cloud is not entirely a bed of roses. Here's a short list of pros and cons.

Pros

- **Easy access to your programs and data from anywhere**, and from any device—a computer, a tablet, a smartphone, etc.
- **Easier sharing of data with others:** accounting data shared with your accountant or a partner, photos shared with family members, or shared editing of a Microsoft Word file. There's no need to mail or email someone a file, a DVD, or a flash drive containing pictures of your family vacation or this year's accounting records.
- **Less responsibility for data backups, data security, and computer hardware upkeep.** These are all the responsibility of someone else—the company to which you are paying a monthly or annual subscription fee for using their software or service. You are freed from the details of installing and updating software, understanding how to backup and restore files, and so on. You are essentially offloading those jobs onto someone else, as part of the subscription fee you pay to use the software.
- **Having professionals involved.** Control over your data's security, backups, and all the rest is in the hands of information technology professionals. Assuming that they are competent, they should do a better job of keeping your data safe than you might on your own. However there is no guarantee of this, as described in the [Cons](#) section, below.
- **Greater access to new software and add-ons.** The bulk of new software development is happening for cloud-based apps, so if you want the "latest and greatest" you'll soon only be able to get that by using cloud-based apps. In the case of QuickBooks specifically, most new QuickBooks add-ons are being developed for QuickBooks Online—for things like managing customer lists and emails, financial analysis and monitoring, and more. (Note however that many add-ons are designed to work with both QuickBooks Online and the QuickBooks desktop editions.)

Cons

- **Monthly or annual billing of your credit card.** You generally don't "purchase" cloud-based software; instead, you pay a subscription fee to access it, much like monthly rent. This can be both good and bad. The good is that you don't pay for the software up front. With no large financial investment in it, if you decide you'd rather use someone else's software it is easy to drop your subscription to one cloud-based application and pick up a new subscription to a different one. The bad is that having your software usage metered by the month may add up to higher costs over the long run, than if you had stayed with a desktop application which you had purchased up front.

★ **Intuit and many other companies have figured out that people are willing to pay more for software billed monthly**, than for software they must purchase up front with a lump sum payment. More people are comfortable with spending \$29 per month, say, than spending \$275 up front for a software product...even though a \$29 monthly subscription adds up to \$348 in a year's time.

- **Loss of direct responsibility for your data.** This is another item which can be good or bad depending on how you view it. Having someone else in charge of backing up your accounting files should mean that backups are made as often as they should be, and that multiple backup copies exist if you should need them. But what if that "someone else" doesn't do the backup correctly or there is a hardware problem on their end, and your data is missing or corrupted when you need to restore it? You may be disgruntled with the fact that you weren't able to make a backup on your own, to insure having a copy of your valuable data.
- **Data portability...or lack of it?** I don't expect this to be a major problem long-term, but the market for cloud-based computing services is still in its infancy and many services don't "play well" with others. After you've gotten your data imported or entered into someone's cloud-based service, what will happen if you decide to switch to a different service? How easy will it be to move your data from the old service to the new one? Will that even be possible without re-entering all of it manually? Eventually services which provide no data export/import capability will die off as the word gets around to potential customers that their data is not as portable as it should be. When you choose any kind of cloud-based service it's important to ask what kinds of export facilities are available.
- **Easy data sharing may lead to less security...or more.** A stolen login password is all that anyone needs to access the data you've stored in a cloud-based app. But the company storing your data should have professionals involved who monitor and prevent viruses and malware attacks, making theft of passwords or identity information less likely. In theory they may do a better job of preventing data security breaches than you might. But ultimately, when using cloud-based apps you are trusting someone else to do this job for you.
- **Reduced control over software accessibility.** When a desktop computer breaks down you can fix it yourself or hire someone else to fix it, or go out and buy a new computer if need be. In other words, you have some degree of control over getting it back up and running. That also means you have some degree of control over maintaining access to the desktop-based software you are using on it, such as a desktop edition of QuickBooks.

When a cloud-based service has an outage—when it becomes inaccessible for some reason—all you can do is telephone or email the vendor

and wait for them to fix the problem. Or you may have to contact your local Internet service provider if the problem is with your local connection. In any case, you have no direct control over regaining access to the service and must depend on someone else to get things up and running again.

Obviously, vendors of cloud-based services want to keep their customers happy, so they do their best to minimize downtime. But there are several "links in the chain" involved in delivering cloud-based software to your computer: the vendor's software, the data center's server computers which provide access to the software (often owned by a separate company, not necessarily the software vendor), a large number of Internet connections, including the one with your local Internet service provider, and the Web browser (Firefox, Safari, Google Chrome, etc.) running on your computer. Though all of this technology is designed for reliability, when any of these links fails you lose access to the cloud-based software you are running.

If you doubt this could ever be a problem, consider this: in its first couple years of operation, QuickBooks Online had several outages of more than one hour's duration, and a few that were a day or more in length. Add in the possibility of local Internet service problems (some types of Internet service have a poor signal on windy days or misty/cloudy days; all can be affected by lightning strikes, equipment failures, etc.) and the chance that your cloud-based applications will be inaccessible from time to time becomes a reality.

★ **Brief software service outages** are rarely a big concern, so long as they don't last more than a couple of hours. However, if you depend on software for point-of-sale transaction entry—i.e., you enter invoices or sales receipts while waiting on customers—then service reliability is crucial.



"But remote access surely must be reliable—even quite a few local businesses are now running their entire accounting and point-of-sale system in the cloud."

Most businesses that have all of their data stored in the cloud have thought long and hard about service reliability. Many of them have redundant, mirrored servers, which means that every transaction is duplicated on two or more computers, usually in two or more locations—just as QBO does and some remote hosting services do.

But a good number of businesses also have something you probably don't have: two Internet service providers. If service from the primary provider is lost, their system automatically switches to a secondary provider and attempts to regain an Internet connection there. Most farm businesses cannot financially justify the cost of redundant Internet services unless it operates a retail store or has a significant daily volume of online sales.

"QuickBooks Online is Newer, so it's Obviously the Best Choice, Right?"

If you haven't kept up with the rapid changes in QuickBooks product offerings, features, pricing, and so on, but you have heard of QuickBooks Online you might expect that it would be the slam-dunk best choice if you want remote ("from anywhere") access to your accounting records. But that isn't necessarily so.

Why the Choice is not Simple

QuickBooks Online (QBO) and the QuickBooks desktop editions (QBDT) are *very different products*. Both may have "QuickBooks" in their names but they certainly are not equivalent in terms of accounting features and capabilities. New features are being added to QBO which are not available in QBDT, but QBDT editions currently have a richer set of features and functionality than you will find in QBO. So while Intuit considers QBO to be "the future of QuickBooks", for right now QBDT is more capable in some areas.



QuickBooks editions...

QuickBooks Online: As this is written, QuickBooks Online (QBO) comes in these editions: Simple Start, Essentials, and Plus (listed in order of increasing cost and features).

QuickBooks desktop: Current QuickBooks desktop (QBDT) editions include Pro, Premier, Accountant, Enterprise, and Mac (for Apple Macintosh). Over the years there have also been edition names like Simple Start, Basic, and (simply) QuickBooks. Intuit does not introduce new edition names very often but *does* frequently change the mix of features associated with each edition; usually annually at least.

Which edition is right for you?

If you need specific features available in QBDT which are not found in QBO, then one of the QBDT editions is likely the best choice. But if QBO has the features you need and you want remote access to your records (from any location, and possibly by multiple users at the same time), then QBO may be the better choice.

But these are very general recommendations. The range of considerations involved is a lot more complicated than one short paragraph can explain. You need to dig deeper to choose the QuickBooks product that best suits your needs.



"But 'QuickBooks is QuickBooks' whether we're talking about QuickBooks Online or the QuickBooks desktop editions, right?" ...WRONG!

When Intuit released their cloud-based accounting product they called it QuickBooks Online, giving it immediate name recognition and capitalizing on the well established and widely known "QuickBooks" brand name. To many accounting software purchasers, this name implied that QuickBooks Online had the same capabilities as the QuickBooks desktop editions; i.e., that "QuickBooks is QuickBooks"—essentially the same product, whether it is the cloud-based version or a desktop version.

But QBO has been written entirely "from scratch", not by reusing pieces of the programming code on which the QuickBooks desktop editions are based. Duplicating the more advanced QBDT features in QBO has been slow, difficult work, complicated by the fact that QBO is based on some different design ideas than in the desktop editions (how different parts of the program work together; how commands and forms are arranged in the program, etc.). Altogether these factors mean that in many areas QBO works differently from QBDT, and that some widely-used QBDT features have yet to be implemented in QBO—and some may never be implemented.

"OK Then, What Else is There to Know?"

1. **Be sure to evaluate the feature differences** mentioned above and described in more detail in [the next section](#). Especially if you are a QBDT user considering a move to QBO, be sure to look for features you depend on in QBDT to see if they are available in QBO. A critical accounting or reporting feature you need may be missing, or implemented much differently.

Also, understand that a feature you depend on but rarely use can be a "gotcha" in moving to QBO. For example, do you use the Tax Line Mapping feature of QBDT? It lets you map income and expense accounts to Schedule F (or other Federal tax form) lines, so that you can print an income tax report to take to your tax preparer at year's end. Most QBO editions do not have that feature, but unless you check for it, you may not realize the feature is missing until tax time.

★ **To date, only the QuickBooks Online Accountant edition has a tax line mapping feature, and it only works for sending tax reports to Intuit Tax Online—two products most QBO users won't normally have.**

2. **QBO is not the only way to have remote access to QuickBooks.** A number of hosting services let you access a QBDT edition over an Internet connection. There are numerous variations of this, including having your QBDT program and files hosted in the cloud (on someone else's server computer, called remote hosting), plus some less expensive hybrid ap-

proaches like self hosting (where the installed copy of QBDT resides on your own computer) and remote file synchronization via the cloud. You can also have either single-user or multi-user access to your QuickBooks data. (*Multi-user access* means more than one person can work with a QuickBooks company file at the same time.) We will examine some of your remote access options in [the next chapter](#).

- 3. What does it all cost?** Remote hosting services charge a monthly fee which can seem quite high, especially if your business doesn't have a very high transaction volume. Other services cost a lot less and will be adequate for many farm businesses, especially if you don't need simultaneous multi-user access to your QuickBooks file. Also, it's important to understand that while the monthly subscription fee for QBO may seem less expensive than purchasing one of the QBDT editions, in the long run QBO can actually be more expensive, depending on what kind of remote access service you use with QBDT.

Current Opinions about QuickBooks Online vs. QuickBooks Desktop

Here are some current opinions about QBO versus QBDT, in no particular order. There is a lot of debate among QuickBooks professionals about many of these issues, so understand that the following are the opinions of one person (the author) and nothing more than that.

- *"But everyone is moving to QuickBooks Online now, aren't they? It surely must be the go-to choice."* Not at all. Even QuickBooks professionals who recommend QBO in many situations don't suggest that it is the right choice for all QuickBooks users. Of those who are "all in" for QBO (i.e., "QBO groupies"), understand that some are *making a living from the surge in consumer interest in QBO* and are eager to add fuel to that fire, because they see it as a new market for training courses and videos/DVDs, data conversion services (helping people convert from QBDT to QBO), and other revenue-generating activities.

★ **Since your mom probably isn't here to remind you, I'll do it:** *"If everyone else were jumping off of a bridge, does that mean you would jump off of a bridge too?"*

- Some people will goad you into jumping onto the QBO bandwagon by telling you that anything which is not cloud based is old fashioned. The implied assumption then, is that QBO must be the best choice simply because it is "the new thing" and "in style". But in accounting, style doesn't count for as much as features and functionality.
- Intuit capitalized on broad consumer recognition of the QuickBooks brand name when it released QBO, but without telling consumers that QBO was short on features, compared to the desktop editions. (Early QBO releases really were "not ready for prime time" in many ways.) Even now, QBO is feature deficient in several areas compared to the QBDT

editions—things like inventory capabilities, reports, and lots of little things.

- Intuit plans to make more revenue from QBO by selling it on a monthly subscription basis, than from selling QBDT licenses outright (partly because many QBDT users only purchase upgrades every two to three years). This makes the QBDT editions a better value in many cases.
- QBO seems to be simpler (less intimidating?) for new users to begin to learn—maybe partly because it has somewhat fewer features. The users who are most satisfied with QBO tend to be (1) those with relatively simple accounting needs, and (2) those who run businesses which don't need any of the features QBDT editions have, which are missing from the QBO editions, and (3) those who have never used one of the QBDT editions.
- Existing QBDT users who are happy with it tend to stay with it. Some have tried QBO, gotten frustrated with it because of missing features or slower operating speed, and switched back to QBDT.
- At one point Intuit seemed intent to pushing all QBDT users toward QBO as soon as possible. Their press releases and marketing materials seemed to be telegraphing the message that QBDT development, maintenance, and support would quickly be collapsed as QBO took its place. I believe they finally realized this was a mistake after observing a significant level of resistance to QBO among existing QBDT users. Since then, Intuit's actions have implied a more friendly stance toward continued support and development of the QBDT editions.
- QBO is and will continue to be the platform on which Intuit introduces the most new features. So if you choose QBO you will get more new features sooner than if you stay with a QBDT edition. What remains to be seen however, is whether current QBDT users will see those new features as useful/valuable enough to get them to abandon QBDT for QBO.
- Control over your data is still a problem with QBO. Though most QBDT users don't backup their data as often as they should, a QBDT user can use their own backup copy to restore their QuickBooks data in the event of a data loss (crashed hard drive, stolen computer, lightning strike, etc.).

★ **QBO lets you make backups of your QBO data—sort of.** As I write this, the backups you make from QBO cannot be restored to QBO. They can only be restored to a copy of QBDT installed on a Microsoft Windows or Apple Macintosh computer. In other words, QBO backups can only be restored as a "local" backup to a desktop computer, not to QBO. This may be adequate as an emergency solution for regaining a copy of your records in the case of a catastrophic event, but it does not quite match what most people envision when they think of the term "backup". In prac-

tical terms, you are entirely dependent on Intuit for managing and maintaining the integrity of your QBO data.

- Some of QBO's feature deficiencies can be overcome by third-party add-ons. For example, a number of report generation apps are available to supplement QBO's weaker reporting features. This is a viable strategy for offsetting some QBO feature deficiencies, but it comes at the cost of paying a larger monthly bill. (Most QBO add-ons are pay-by-the-month services.)

Comparing the Online and Desktop Editions

...as of Today at 3:45 pm.

★ "**...as of Today at 3:45 pm.**" is just an offbeat way of emphasizing that the features in all QuickBooks products are constantly changing. If you reach the point of choosing between QBO and QBDT *please don't base your decision directly on the feature descriptions presented here*. Rather, use them as a starting place for knowing what questions to ask about current features of the various QuickBooks editions.

To understand how QBDT and QBO differ you first must wrap your brain around the idea that while they both have "QuickBooks" in their name they are very different products. QBDT features have been created, added, and honed over many years. QBO's design and features were developed more recently and do not completely mimic the features you will find in QBDT. Think of it this way: QBO and QBDT share the same basic design concepts—in each product you use similar transaction entry forms and lists, and you can get similar reports. But beyond that they differ in a few big (and many small) details.

QBO's features are in a constant state of flux, with at least a couple minor features added or changed every few weeks. In the past, Intuit usually only released new QBDT features annually. Recently however, they have also begun releasing new QBDT features—at least minor ones—throughout the year. So any detailed feature comparison of the two products has a short shelf life. So this section just provides an overview of QBO and QBDT features and operating differences; a "snapshot" of how they differ, current as of the day this was written.

 ["QuickBooks Online" features vs desktop](#)

Feature Similarities, Differences, and Other Considerations

Here are some areas of feature differences between QBO and the QBDT editions, in no particular order.

How the programs are organized

Most of QBO's data is organized the same as in QBDT. For instance, there's still an Item list—though it's called the Products/Services list in QBO—and there are still Customer and Vendor lists. The Invoices, Sales Receipts, and Make Deposits forms and most others still work about the same. So if you are a QBDT user, switching to QBO doesn't require learning many new concepts. But *accessing* the program's forms and data will require some re-learning because QBO's windows, tabs, menus, and so on are arranged very differently than in QBDT.

Operating speed

For most users, entering transactions in QBO is slower than in the desktop editions. It isn't too bothersome when making just a couple entries but becomes more noticeable when you have a lot of entries to make. It can also be frustrating at those times when your Internet connection is slower than normal.

Why is QBO slower for entering transactions? Mostly because a lot of data must be transmitted back and forth over an Internet connection each time you make an entry in QBO. Even a fast Internet connection is much slower at moving data around, than is the internal circuitry of a desktop computer.

★ **The speed of your Internet connection is important.** If your Internet service is slow—or slow at certain times of day or under certain weather conditions—you may be less happy with QBO than you otherwise might have been. This concern isn't limited to QBO: any remotely accessed accounting software will seem sluggish if your Internet connection is not fast enough.

🔧 **My current recommendation** is that your Internet connection should have a downstream (download) speed of at least 5 Mbps (megabits per second) if you want to use cloud-based accounting software—which includes not just programs like QBO but also desktop software accessed remotely, such as running QBDT on a [hosting service](#).

Form customization

QBO does not allow much customization of data entry forms such as Sales Receipts and Invoices. QBDT gives you significantly more customization options. You can add fields and columns, have more control over how forms are printed, and so on.

For instance, suppose you spread agricultural lime or gypsum as a farm business sideline. You charge by the acre and enter the number of acres in the Quantity column of the invoices you send to your customers. But you'd also want a place to enter the tonnage you have spread. In QBDT you could define a custom field named *Tons* in the Item list, then add it as a

column on the Invoices form by checkmarking a box in the form's customization window. In QBO this is not possible.

Bank feeds and other automation features

Both QBDT and QBO support online banking, but QBO has the advantage of automatic bank feeds: bank transaction data is downloaded into QBO automatically without you having to issue a command to make that happen, as you do in QBDT. Bank feeds are just one of several automation features of QBO. You can also automate customer billing in QBO, and automatically email reports (such as to your accountant or a partner) on a preset time schedule.

Reports and report options

QBO has fewer reports and does not allow as much report customization as QBDT. (As mentioned earlier, using one of the available 3rd-party reporting add-ons for QBO can help overcome this shortcoming.) Note however, that both QBO and QBDT can export reports to a Microsoft Excel spreadsheet for additional data manipulation and reporting. For many QBO users this may be enough to satisfy their need for more enhanced reporting capabilities.

★ **Currently QBO does not have tax reports**, a QBDT feature many farmers use at tax time to consolidate income and expense account totals into tax form categories, such as the categories on IRS Form 1040 Schedule F. However, the same information is easy to obtain by manually consolidating account totals from a profit and loss report.

Whether this would affect you depends on which reports you need, of course. Reporting needs vary a lot among farm businesses, and those with a sideline enterprise or non-traditional operations often have more complex reporting needs. If you have a custom chemical application business, a trucking sideline, deliver freezer beef door to door, or direct-market specialty produce, you may want more flexible reporting options.

The data backup conundrum

With QBO your data is automatically backed up. That's a good thing—you cannot forget to make backups as you can with QBDT. Redundant backup copies are maintained for you automatically (stored at several data centers, in different locations). That too is a good thing.

But with QBO you *do not have control* over backup copies. Is that good or bad? It's good for the reasons mentioned above, but bad for other reasons. Suppose you figure out that the new bookkeeper you hired has entered a bunch of transactions incorrectly, and the easiest way to fix the problem would be to restore your QuickBooks data from a backup you made two weeks ago, then re-enter the transactions for those two weeks. If you use

QBDT you would be free to do that, because you have control over backups. But that would not be possible with QBO—you cannot get Intuit to "set the clock back" on your QBO records to a particular point in time.

Software maintenance and "housekeeping"

Compared to using a QuickBooks desktop product, using QBO mostly frees you from having to install software, install updates, make backups, or figure out where your QuickBooks files are located on your computer, etc. *These items are major benefits of all cloud-based software.*

But as described elsewhere, that freedom comes at a price: you have less control over how your data is managed, when (or if) backed up data can be restored, how archival copies of your data are made, and so on—things you can control if you use one of the QBDT editions.

QuickBooks Online: not as inexpensive as you thought?

It's easy to fall prey to the ads: "QuickBooks Online, starting at \$9.99 per month". What that doesn't tell you is that \$9.99 per month gets you QuickBooks Online Self-Employed, a stripped-down edition with minimal features (it won't print checks, for example).

Most QBO users—including most farm businesses—will need at least the QuickBooks Online Essentials edition, currently priced at \$26.95 per month. Essentials allows access to QBO by up to three users at a time (Self-Employed and Simple Start editions only allow access by a single user),

And many QBO users will need the \$39.95 per month QuickBooks Online Plus edition, because it:

- Supports preparing and printing IRS Form 1099-Misc (the other QBO editions do not).
- Has inventory features which some farm businesses will find useful. (The other QBO editions do not have inventory features.)
- Supports access by up to five users at a time.

★ **The various QBO editions are available at a significant discount** from online resellers and other sources. The prices described above are current *list prices* for QBO products, if purchased directly from Intuit.

Moving your records from QBDT to QBO, or from QBO to QBDT

Moving accounting records to/from either system is not difficult. But there's a "gotcha" involved if you move accounting records from QBDT to QBO, and then decide to move them back to QBDT.

When you first move QBDT records to QBO some minor data details are lost, mostly related to features which QBDT supports but which QBO does not, such as memorized transactions and memorized reports. This won't seem like a problem at the time because the data you lose is not used in QBO anyway. But suppose you try QBO for a while—maybe you enter transactions there for a couple months—then decide to switch back to QBDT. Unfortunately, the QBDT data you lost when you first migrated your records to QBO *is not present in QBO* for moving back into QBDT. The memorized transactions, memorized reports, and form customizations you originally had in QBDT are now gone. The only solution is to create them again.

(This may or may not be important to you, depending on how much time you had spent customizing things in QBDT before moving to QBO.)

Third party add-ons

If you currently use any third party add-on programs with QBDT, before switching to QBO you may want to check whether those same add-ons—or something comparable—are available for QBO. This is especially true if you are using an add-which is critically important to your business.

Much of the software development being done on new add-ons is focused on QBO, but many add-ons are designed to work with *both* QBO and QBDT. A healthy array of add-ons is available for both products.

Updating QBO vs. QBDT...who is in control?

Intuit is busily making changes in QBO, such that they roll out new features or feature changes every few months. Is that a good thing? So far, it hasn't always been. Some features get released "before the paint is quite dry"—incomplete or a bit unstable/buggy. Worse (from my perspective) is that Intuit updates QBO whenever *they* choose to do so. As someone who likes to be in control of the things I do, I dislike logging into QBO only to find that a familiar feature is suddenly arranged differently on the screen or works differently. Maybe I just wanted to make a few quick entries or hurriedly get a report I need...but now I'm faced with having to figure out whether the change in QBO will affect what I wanted to do.

Intuit usually releases several QBDT updates/bug fixes during the year, and some of them are unstable or buggy too. (This is not a complaint about Intuit; it's partly just due to the complexity of developing software that has to work in a multitude of different situations.) The difference is that I can research QBDT updates by reading other users' online comments a few days after an update is released, then decide whether or not I want to install it. Letting others be the first to stub their toes on bugs and problems in new/updated software is usually a *Good Idea*.

★ **The online chatter in QuickBooks forums during the first few days after an update is released** usually reveals if the update has problems and how serious they may be. Once in a while, the current update introduces a more significant bug than the problem it was meant to fix. When that happens, the best thing to do is often to *not* install it, and simply wait for the next update. (When an update has serious failings Intuit usually releases a replacement fairly quickly.)

Said differently, QBDT lets *me* choose when to install updates; QBO does not. Installing a QuickBooks update during the week when you are working on your income taxes, for instance, is a *Bad Idea*. What if a problem in the update prevents getting a critical report you need? Though the likelihood of that is small, it is a real risk—one over which you have no control if you are using QBO.

🔧 **To control when QBDT updates get installed** you must have the Automatic updates feature turned off ([Help > Update QuickBooks > Options](#)). This prevents QuickBooks from downloading updates automatically. Then when you want QuickBooks to check for and install the most current update, click the *Update Now* button on the [Help > Update QuickBooks > Overview](#) tab.

IRS audits and your QuickBooks data

Did you know that the IRS can request direct access to your QuickBooks data in a tax audit? They can and frequently do, by asking for a copy of your QuickBooks company file. You are permitted to provide a copy of the file containing only transactions for the period being audited, but you may need professional assistance to prepare one.

Let's suppose you have transactions from 2011 through the current year in QuickBooks—either QBO or QBDT. What happens then, if the IRS requests your QuickBooks data for the 2015 tax year? (IRS audits generally target a specific tax year unless the scope of the audit gets widened.)

If you use QBDT, you or your accountant can prepare what is known as a Period Copy of your QuickBooks company file for sending to the IRS. (The QuickBooks Accountant edition is required for preparing a Period Copy, so you may need to go to your accountant to get this service performed; or, you can purchase the QuickBooks Accountant Edition and do it yourself.)

A Period Copy contains only transactions from the period you specify—in this example, the 2015 tax year. Sending a Period Copy is greatly preferable to sending your entire QuickBooks file to the IRS, because it prevents an IRS auditor from "going fishing" for problems in multiple years of QuickBooks records.

So far, there is no way to limit access to a particular year of data in QBO. My understanding is that at this time IRS agents are not authorized to log into anyone's QBO account. Instead, the IRS may require that you export a

copy of your QBO data to QBDT, then submit that (or a Period Copy of it) for the audit. Because more steps are involved (and because there have been a few instances of problems with QBO's data exporting process) preparing for an IRS audit may require more time or fees from your accountant if you are using QBO, as compared to QBDT.



My overall take on the accounting features of QBO vs. QBDT

At this point QBO has solid core accounting features but is a less mature and less complete accounting system than the QBDT editions. QBO's features will be enhanced and new features will be added over time; however, at this point it has a more limited set of features overall.

The programs are similar in basic ways, so QBDT users who switch to QBO don't face a steep learning curve. The biggest frustration for most users who move from QBDT to QBO is the many "little things" which are different—features they were accustomed to in QBDT which are either (1) missing entirely from QBO, or (2) are located elsewhere in the program (the menus are very different), or (3) operate differently.

★ **The people who are most satisfied with QBO tend to be those who have never used QBDT.** They have no "unlearning" nor "relearning" to do, and they don't notice QBDT features which are missing from QBO...because they never experienced them!

If cloud-based accounting systems are the wave of the future, then QBO is the future of QuickBooks. If your recordkeeping needs are fairly basic, QBO is not a bad choice (though not necessarily the least expensive choice). If you want maximum accounting capability, QBDT is still be your best bet. As for the future, Intuit will always make it easy to move accounting data from QBDT to QBO, so there is no penalty for staying with QBDT if that is what you are using now.

Remote Access to QuickBooks



About this chapter

This chapter describes your options for accessing QuickBooks records remotely, for both QuickBooks Online and the QuickBooks desktop editions.

Your QuickBooks Remote Access Alternatives

You have two basic choices for using a QuickBooks accounting product remotely:

- **Use QuickBooks Online (QBO).**

QBO is Intuit's cloud-based accounting software product. It runs in a Web browser such as Google Chrome, Mozilla Firefox, Safari, or Internet Explorer. You can access QuickBooks Online from anywhere that you have an Internet connection, and from any device that has a Web browser—a computer, tablet, smartphone, etc. Also, multiple people can access the same QuickBooks Online company at a time.

★ **The terms *company* and *company file* are used almost interchangeably** and refer to the same thing: the set of QuickBooks accounting records for a single business entity, such as a farm, ranch, or small business. In desktop editions a company's records are stored in a single file—hence the term *company file*. In QuickBooks Online a company's records are stored as part of a large database on Intuit's servers.

- **Use a QuickBooks desktop edition (QBDT) plus a remote access service.**

The desktop editions of QuickBooks (QuickBooks Pro, QuickBooks Premier, and QuickBooks Enterprise) are normally installed and run directly on your own computer or local area network, and do not require an Internet connection for basic use. (Intuit's add-on services such as Payroll require an Internet connection.)

However, the proliferation of all kinds of cloud-based services has led to a variety of ways you can remotely access a QBDT company file. Some services let two people work with the same file at different times (shared access but not simultaneous multi-user access), and some let two or more people work with a company file simultaneously (multi-user access). Some allow remote access to the QBDT company file

stored on your own local computer (self hosting), and others have QuickBooks and the company file installed on a server computer located somewhere in the cloud (commercial hosting).

QuickBooks Online

Like everything in the cloud, QuickBooks Online is accessible from anywhere that you can have an Internet connection. Once you have signed up for a QuickBooks Online account, all you need to do to use QuickBooks Online is navigate to the QBO address (qbo.intuit.com) in a Web browser and log in to your account.



QuickBooks Online is not the only cloud-based accounting system

Due to the expansion of cloud-based software products, QuickBooks Online has a lot of competition:

- **The Xero (xero.com) accounting system** is from a New Zealand-based company with strong ties to agriculture. They actively encourage development of agricultural add-ons for Xero, especially those dealing with common New Zealand and Australian types of agricultural production—sheep and other kinds of livestock farming and ranching especially, but also crop production.
- **If your accounting needs are fairly basic or if you need specific abilities** which QuickBooks Online does not have or does not do well, other cloud based products might fit the bill. Some are less expensive per month than QuickBooks Online, or may bundle other added features along with the accounting software. Besides Xero, a few of currently well known products are ZoHo Books (zohobooks.com), Kashoo (kashoo.com), Saasu (saasu.com), and IntAcct (intacct.com)—which is aimed at larger businesses.

I *am not* suggesting that any of these programs are particularly well suited for U.S. agriculture, but they may work for you if your accounting needs are simple. With 30-day free trials or inexpensive monthly subscriptions, trying any of these products costs little or nothing—except an investment of your time, of course.

Here's a Google search phrase you can use to explore some of the current alternatives:

 ["QuickBooks Online" alternatives](#)

QuickBooks Desktop + a Remote Access Service: Lots of Possibilities

A wide range of services are available to give you remote access to QuickBooks records in the QBDT editions. Here are descriptions of some of the more popular currently available remote access approaches.

QuickBooks company file sharing over the Internet (QBox)

QBox is an online service that allows any number of users to share a QuickBooks (QBDT) company file. All users can be viewing a local copy of the file (i.e., on their own computer) at the same time, but only one user can have a "lock" on the file, which allows that user to make changes—to enter or edit transactions, add customers, edit accounts, etc. The other users can view transactions and print reports but cannot make changes. When the user who has the lock is done making changes he or she releases the lock via the QBox system, and QBox automatically updates (synchronizes) the file on the computers of the other people who have been granted access to the file via the QBox account holder.

Note that each user works with a local copy of the file. So access to the file's data is fast for all users, because no data has to travel over an Internet connection each time you want to view a report, enter a sales receipt, or whatever. Data is only transferred over the Internet when QBox synchronizes the file on the computers of all users who have access to it, and that only happens when a user releases their lock on the file.

Though the QBox service and file synchronization happen over an Internet connection, a small client program installed on each computer is responsible for communicating with the QBox service to control file locking and synchronization.

Cost: \$9 per month, regardless of the number of people who are given access the QuickBooks file.

QBox:  qbox.coralteetech.com

Notes:

- QBox is among the least expensive options for remote sharing of a QuickBooks file. This fee is paid only by the owner of the shared company file's folders on the QBox Web site. For instance, you, a partner, and your accountant could each view and make changes to the same QuickBooks company file—though not at the same—for a total fee of \$9 per month.
- Designed for reliable file sharing/locking, QBox users report that it is a reliable and fairly bulletproof option.

 **Beware of using generic file sharing services for sharing QuickBooks data files.** Services like DropBox and Google Drive are popular for sharing many kinds of data—documents, photos, videos, etc.—but using them for sharing a QuickBooks data file *is very risky*. There is no problem with using these services to *store* a QuickBooks file or to make it available for someone else, such your accountant. Rather, problems occur if two users attempt to simultaneously open the file in QuickBooks. The file synchronization approach used by common file sharing services is not capable of maintaining the integrity of a QuickBooks file when used this way, and *data corruption will eventually occur*, even if the file sharing seems to be working properly at first. (Many QuickBooks users have tried to share QuickBooks files via DropBox, and many have experienced data corruption.)

- Suitable for frequent access to the same QBDT company file by several users, but not suitable if more than one user needs to be entering transactions at the same time.

Generic remote access software (GoToMyPC, LogMeIn, and others)

Many programs are available for operating a computer remotely over an Internet connection. A few of the popular ones are GoToMyPC, LogMeIn, TeamViewer, and Screen Connect, but literally dozens of such programs exist. A few are free but those are usually limited in some way. The others may seem expensive unless you use them frequently enough to justify their cost.

All of these products allow someone at a remote location to control the computer where a QBDT edition and company file reside. Their main downside is that the computer being controlled cannot be used by anyone else while it is being controlled remotely, so they are best for infrequent use—not generally practical for daily sharing of a QuickBooks file by two or more users.

Many accountants and computer consultants use these products to work on their customers' computers without having to be on site.

Cost: Typically \$10 - 15 per month or more. (Some are charged for monthly or annually on your credit card; others are sold as a one-time purchase.)

LogMeIn:  LogMeIn.com

GoToMyPC:  GoToMyPC.com

TeamViewer:  TeamViewer.com

Screen Connect:  ScreenConnect.com

Notes:

- Remote access programs are versatile, which partly offsets their cost. They generally provide full control of the remote computer, so besides accounting work they can be used to do word processing, retrieve photos or other files, or do maintenance or other tasks on the computer that is being controlled remotely.

Self-hosting (MyQuickCloud)

MyQuickCloud is a self-hosting service: software which lets your own local computer act as a host (server) for other computers to log into it, and access QuickBooks or other programs.

Why use MyQuickCloud instead of a program like GoToMyPC or LogMeIn? Here are a few reasons:

- While it is possible to use MyQuickCloud in a similar way—granting remote access to your entire computer—there is a subtle difference: you can set up MyQuickCloud so that the remote user can access *only* QuickBooks (and/or other programs you specify) and nothing else. So if you want to share access to your QuickBooks records with someone, that person will not be able to access anything else on your computer—a significant security benefit.
- When a remote user is accessing QuickBooks via MyQuickCloud, the computer being controlled can also be used for other things such as word processing or browsing the Web.
- If you have multi-user licenses for QuickBooks, the remote user and a local user can *both* be using QuickBooks at the same time.

Cost: \$25 per user per month (less if paid for annually), for the basic product. (Other MyQuickCloud services offer more/different capabilities, at higher prices.)

MyQuickCloud:  MyQuickCloud.com

Commercial QuickBooks hosting (various hosting providers)

With QuickBooks hosting, a desktop edition of QuickBooks is installed on the hosting company's server, and you run it over an Internet connection, in a Web browser on your local computer, or smartphone, or other device. Several users can be accessing your hosted copy of QuickBooks at any one time (limited to the number of QuickBooks licenses you own), so commercial hosting provides true multi-user access. You can use your existing QuickBooks licenses for the hosted installation, or if you don't own (or don't want to purchase) QuickBooks licenses, you can rent licenses for an additional monthly fee.

Some users feel their hosted QBDT runs faster than QBO, but because an Internet connection is involved, neither operates as quickly as a locally installed copy of QBDT.

Like other remote-computing technologies, hosting delivers a full representation of the QuickBooks desktop program you are familiar with, but through a Web browser such as Internet Explorer, Firefox, or Google Chrome. If you need features which the desktop editions have but QBO does not yet have, QBDT hosting is a way to have access to those features from anywhere that you have an Internet connection.

Cost: Most QuickBooks hosting fees range from \$40 to \$50 per user per month—plus a monthly fee for QuickBooks licenses if you need to rent them.

Intuit-authorized hosting providers:

 intuihostingprogram.com/authorized_hosts.php

Notes:

- For many people, cost per user is the main barrier to using QuickBooks hosting. The cost can be partly offset by the numerous other benefits of hosted software: data backups, network security and maintenance, and professional support, all provided by the hosting company at no charge beyond the regular monthly fee. Businesses which use QuickBooks hosting often do so because they need or want to use QBDT instead of QBO (for features or other reasons), and they use QuickBooks enough hours per day to feel that the cost is justified.
- Allows full multi-user access to QuickBooks, limited to the number of QuickBooks licenses you own or rent.
- Though your QuickBooks company file is stored on the hosting company's servers, you can make a local copy of it (on your own computer) at any time. You can use this copy to move to a different hosting service, to keep for backup or archival purposes, or to go back to using QuickBooks on your desktop computer if need be. In other words, you have full control over your QuickBooks data.
- Using an Intuit-approved hosting service may require you to upgrade your QuickBooks licenses more often than you otherwise might have. Intuit's current policy is to provide support and services for QBDT editions for three years. Editions older than three years are "sunsetting", which means you may continue using them but Intuit will no longer allow them to access add-on services like payroll, credit card acceptance, or hosting.

What Does Remote Access Cost?

...as of Today at 4:00 pm.

★ "...as of Today at 4:00 pm." is a reminder that every cost and feature detail provided here is subject to change rapidly and without notice. Avoid depending on the *specific* costs and prices described here when you are shopping for QuickBooks and/or remote access solutions; instead, use this cost information as a starting place for knowing what questions to ask about current costs and software options.

Beyond Kicking the Tires: Comparing Software Costs

Purchasing software used to be as simple as choosing the product you wanted—Microsoft Word, for example—then paying for it. You could use it for as long as you wanted without paying more, except maybe to upgrade to a newer version. There were no monthly fees to pay to continue using it. And you weren't faced with the prospect of buying more than a couple of add-ons to enhance or add features to the main program. Only a few add-ons were available for most programs, and you paid for them up front just as you did for the main program. Monthly fees were rare except when some kind of ongoing service was provided along with the software.

My, how things have changed! A lot of software has moved (or will soon move) to being sold on a monthly or annual subscription basis. I am not only talking about cloud-based apps like QBO, but also some desktop applications as well. QuickBooks Enterprise is an example. Beginning with QuickBooks Enterprise 2015 you could no longer purchase a license for QuickBooks Enterprise, the high-end desktop edition of QuickBooks. Instead you now must pay an annual subscription fee to use it.

★ **You can still buy licenses for the QuickBooks Pro and Premier editions** as this is being written, but don't be surprised if someday they are sold on an annual subscription basis, as QuickBooks Enterprise is now. In fact it is already happening. Intuit now also sells subscription-based versions of the Pro and Premier products, calling them QuickBooks Pro Plus and QuickBooks Premier Plus. As I write this, QuickBooks Pro Plus sells for \$249.95 per year or \$29.95 per month, and QuickBooks Premier Plus sells for \$349.95 per year or \$39.95 per month if purchased directly from Intuit.

I bring all this up to help illustrate how complex the comparison of your software options has become. With purchased software licenses, monthly and annual subscription fees, and a wide range of available add-on software and services, choosing the combination of options which best suits your needs and budget has become increasingly difficult.

Because there are so many options—and so many different combinations of them—it is not possible to provide a simple table of costs for the different

options. The best I can do is show how various *combinations* of options affect what you may have to pay for accounting software and remote-access services.

Understand that Intuit and every other vendor mentioned in the discussion below may change prices and licensing terms at any time, sometimes with a significant effect on the cost to you.

★ **Want an example?** Just a few years ago a multi-user installation of QuickBooks Pro permitted up to 5 users. Intuit quietly changed that to a maximum of 3 users when a new version was released. People who ran a 4 or 5 user network of QuickBooks Pro got a sudden case of "sticker shock" when they needed to upgrade to the current version. Instead of paying an upgrade fee for QuickBooks Pro they had to spend *several hundred additional dollars* to upgrade to QuickBooks Premier—because Premier allowed networking up to 5 users, while QuickBooks Pro no longer did.



Shop around: QuickBooks may be available for less!

Intuit gives wholesale pricing—at a hefty discount to retail prices—to QuickBooks resellers and QuickBooks Professional Advisors. (Many accountants are QuickBooks Professional Advisors.) Depending on how much of this discount these wholesale buyers are willing to pass along to their customers, retail prices can vary considerably. Also, Intuit has special sale pricing from time to time. Altogether, this means it's worthwhile to check several sources before purchasing any QuickBooks product.

Here's an example: As this is being written you can purchase QuickBooks Pro directly from Intuit for \$219.95 or QuickBooks Premier for \$379.95. Or you can purchase the same products from an online reseller for \$169.99 and \$279.99, respectively—a difference of \$100 if you are buying QuickBooks Premier.

Which online resellers are good sources? That's a matter of opinion of course, and there are plenty of reputable QuickBooks resellers on the Web. But here's one that sells a full range of QuickBooks products, has been in business for several years, has excellent prices, and has good customer support (i.e., is willing to answer questions about the products they sell):

🌐 www.softwarediscountcenter.com.

By the way, I have no financial interest in this vendor; they are simply a company with a good reputation.

Basic Street Prices for QuickBooks Products

Here are current street prices for the QuickBooks products used most often in farming and ranching. Several other QuickBooks products are also available but focusing on these will keep the comparisons simpler.

★ **Street prices** are prices you might pay for QuickBooks products purchased from an on-line reseller or other source, instead of purchasing directly from Intuit.

Product	1 user	2 users	3 users
QBO Essentials	\$13 /month (\$156 /yr)	\$13 /month (\$156 /yr)	\$13 /month (\$156 /yr)
QBO Plus	\$20 /month (\$240 /yr)	\$20 /month (\$240 /yr)	\$20 /month (\$240 /yr)
QuickBooks Pro	\$170 (\$57 /yr, over 3 years)	\$350 (\$117 /yr, over 3 years)	\$500 (\$167 /yr, over 3 years)
QuickBooks Premier	\$280 (\$93 /yr, over 3 years)	\$550 (\$183 /yr, over 3 years)	\$830 (\$277 /yr, over 3 years)

Notes:

- Because QBO products are priced per month, the table also shows their cost on an annual basis to help with comparing prices.
- The QuickBooks Pro and Premier prices shown are one-time purchase prices. You must purchase an upgrade at least every three years if you want access to add-on services such as payroll.
- Payroll and other add-on services add to the cost of all QBO and QBDT products.

Remote Access for One or More Users, but Not Simultaneous Access

Product	1 user	2 users	3 users
QBO Essentials	\$13 /month (\$156 /yr)	\$13 /month (\$156 /yr)	\$13 /month (\$156 /yr)
QBO Plus	\$20 /month (\$240 /yr)	\$20 /month (\$240 /yr)	\$20 /month (\$240 /yr)
QuickBooks Pro + QBox	\$170 (\$57 /yr, over 3 years) + \$9 / month or \$90 /yr)	\$350 (\$117 /yr, over 3 years) + \$9 /month or \$90 / yr)	\$500 (\$167 /yr, over 3 years) + \$9 /month or \$90 / yr)
QuickBooks Premier + QBox	\$280 (\$93 /yr, over 3 years) + \$9 / month or \$90 /yr)	\$550 (\$183 /yr, over 3 years) + \$9 /month or \$90 / yr)	\$830 (\$277 /yr, over 3 years) + \$9 /month or \$90 / yr)

Product	1 user	2 users	3 users
QuickBooks Pro + GoToMyPC	\$170 (\$57 /yr, over 3 years) + \$12 / month or \$115 /yr	\$170 (\$57 /yr, over 3 years) + \$24 / month or \$230 /yr	\$170 (\$57 /yr, over 3 years) + \$36 / month or \$345 /yr
QuickBooks Premier + GoToMyPC	\$280 (\$93 /yr, over 3 years) + \$12 / month or \$115 /yr	\$280 (\$93 /yr, over 3 years) + \$24 / month or \$230 /yr	\$280 (\$93 /yr, over 3 years) + \$36 / month or \$345 /yr
QuickBooks Pro + MyQuickCloud	\$170 + \$25 /month or \$270 /yr	\$170 to \$350 + \$50 /month or \$540 /yr	\$170 to \$500 + \$75 /month or \$810 /yr
QuickBooks Premier + MyQuickCloud	\$280 + \$25 /month or \$270 /yr	\$280 to \$550 + \$50 /month or \$540 /yr	\$280 to \$830 + \$75 /month or \$810 /yr

Notes:

- All QBO products are accessed remotely; no extra charge is involved for remote access.
- Only one [QBox](#) user can access the QuickBooks company file at a time, but each must have QuickBooks installed on their own computer, so you need the same number of QuickBooks licenses as you have QBox users.
- Only one [GoToMyPC](#) user can access the QuickBooks company file at a time, however all of them may remotely access the same computer, so only a single QuickBooks license is required.
- The [GoToMyPC](#) price is discounted by 20% if you pay annually instead of monthly. The \$115/yr cost shown in the table reflects this discount.
- [MyQuickCloud](#) costs \$25 per user per month, but because those users have shared access to QuickBooks, the cost may be partly offset by needing fewer QuickBooks licenses. For instance, having one local user and two MyQuickCloud (remote) users will cost 2 x \$25 = \$50 per month for MyQuickCloud. But if only two of those three users need to be using QuickBooks Pro at the same time, you could get by with just two QuickBooks Pro licenses (\$350). And if only one user at a time needs access, you could get by with a single QuickBooks Pro license (\$170).
- [MyQuickCloud](#) prices are discounted 10% if paid annually instead of monthly.

Multiple Users with Simultaneous Remote Access

Product	2 users	3 users	4 users
QBO Essentials	\$13 /month (\$156 /yr)	\$13 /month (\$156 /yr)	N/A - limited to 3 users.
QBO Plus	\$20 /month (\$240 /yr)	\$20 /month (\$240 /yr)	\$20 /month (\$240 /yr)
QuickBooks Pro + MyQuickCloud	\$170 to \$350 + \$50 /month or \$540 /yr	\$170 to \$500 + \$75 /month or \$810 /yr	\$170 to \$500 + \$100 /month or \$1080 /yr, limited to 3 simultaneous users.
QuickBooks Premier + MyQuickCloud	\$280 to \$550 + \$50 /month or \$540 /yr	\$280 to \$650 + \$75 /month or \$810 /yr	\$280 to \$830 + \$100 /month or \$1080 /yr
QuickBooks Pro + Right Networks hosting	\$350 + \$100 / month or \$1,200 / yr	\$500 + \$150 / month or \$1,800 / yr	N/A - limited to 3 users.
QuickBooks Premier + Right Networks hosting	\$550 + \$100 / month or \$1,200 / yr	\$830 + \$150 / month or \$1,800 / yr	\$1040 + \$150 / month or \$1,800 / yr

Notes:

- All QBO products may be accessed simultaneously by the permitted number of users: 3 users for QBO Essentials, or 5 users for QBO Plus. Likewise, QuickBooks Pro is limited to 3 simultaneous users; 5 for QuickBooks Premier.
- [MyQuickCloud](#) costs \$25 per user per month, but because those users have shared access to QuickBooks, the cost may be partly offset by needing fewer QuickBooks licenses. For instance, having one local user and two MyQuickCloud (remote) users will cost 2 x \$25 = \$50 per month for MyQuickCloud. But if only two of those three users need to be using QuickBooks Pro at the same time, you could get by with just two QuickBooks Pro licenses (\$350) instead of three (\$500).
- [MyQuickCloud](#) prices are discounted 10% if paid annually instead of monthly.
- The speed of MyQuickCloud's self hosting service partly depends on the speed of your computer and of your local Internet service. For that

reason it may or may not operate as quickly as a commercial hosting service.

- [Right Networks](#) is a typical example of pricing by one of the many Intuit-approved QuickBooks hosting providers. Some services cost less, but features and capabilities vary.

Simultaneous Access to Multiple QuickBooks Company Files (Two in this Example)

The table below shows how costs begin to change if you have more than one business entity and thus need remote access to more than one QuickBooks company file. An example of this situation might be if you have a farm business of your own, and you are also a partner in a direct-to-consumer retail store, trucking company, or other sideline business for which you need to keep separate accounting records.

Product	1 user, 2 company files	2 users, 2 company files	3 users, 2 company files
QBO Essentials	\$13 + \$13 = \$26 / month (\$312 /yr)	\$13 + \$13 = \$26 / month (\$312 /yr)	\$13 + \$13 = \$26 / month (\$312 /yr)
QBO Plus	\$20 + \$20 = \$40 / month (\$480 /yr)	\$20 + \$20 = \$40 / month (\$480 /yr)	\$20 + \$20 = \$40 / month (\$480 /yr)
QuickBooks Premier + QBox	\$280 (\$93 /yr, over 3 years) + \$9 / month or \$90 /yr	\$550 (\$183 /yr, over 3 years) + \$9 /month or \$90 / yr	\$830 (\$277 /yr, over 3 years) + \$9 /month or \$90 / yr
QuickBooks Premier + MyQuickCloud	\$280 + \$25 /month or \$270 /yr	\$280 to \$550 + \$50 /month or \$540 /yr	\$280 to \$830 + \$75 /month or \$810 /yr
QuickBooks Premier + Right Networks hosting	\$280 + \$50 /month or \$600 /yr	\$550 + \$100 / month or \$1,200 / yr	\$830 + \$150 / month or \$1,800 / yr

Notes:

- The QBO prices shown are for two companies operated from two separate QBO accounts. . which in many cases may not be acceptable. To have multiple QBO files under the same QBO account, the second and later companies generally must be purchased from Intuit or through a QuickBooks Professional Advisor. Though discounted from Intuit's regular prices (ranging from 10 to 50%), the resulting total cost may generally be higher. For instance, two QBO Essentials companies running under one QBO account might cost \$13 + \$24 = \$37, if the second com-

pany were discounted 10% from regular QBO Essentials prices (assuming the first company was initially purchased from a reseller).

★ **Pricing for a second or third QBO company can change at any time and without notice, so check with Intuit or a QuickBooks Professional Advisor when considering your options.**

- Note that the prices of most file sharing and remote-access services are *unrelated to the number of QuickBooks company files involved*. Their cost is the same for one, or three, or ten companies, and is more often determined by the number of users. [OBox](#) is an exception: its cost is the same for any number of users or company files.
- [Right Networks](#) is a typical example of pricing by one of the many Intuit-approved QuickBooks hosting providers. Some services cost less, but features and capabilities vary.

So is it Really this Simple?

Of course not! Even if you feel that these comparisons of QuickBooks options are simple enough to understand, making the right choice involves more than the tables in this section can show. They only help you compare basic product and subscription costs, and don't include any of the add-on software or services which you might want or need.

Payroll is a popular example. All QuickBooks editions have payroll *capability*, but Intuit charges a fee for letting you use it. Right now adding payroll to QBO—which supports paying W-2 employees and filing payroll reports—*begins* at \$31.20 per month for the basic service, plus \$1.50 to \$2.00 per month per employee. The fees for adding payroll to the QBDT editions are similar.

Then too, there are third-party software add-ons you might want. Many users don't ever purchase an add-on, but eventually you may discover one which offers significant benefits for how you use QuickBooks, and decide to subscribe to it...adding to the monthly software charge on your credit card bill.

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or others in the QuickBooks Cookbook™
series, visit our Books page on the Web:***

www.goflagship.com/books/

What about QuickBooks for Agriculture?



About this chapter

This chapter presents considerations and recommendations for the QuickBooks options farm and ranch businesses typically face.

Current QuickBooks Considerations for Agriculture

Keep the Total Cost in Mind

Two important points I hope you've gathered from the discussions in this book are that (1) comparing costs is complicated, and (2) QBO is not necessarily the least expensive option. It can be, depending on your accounting and remote-access needs, but in several situations it is a more expensive option than using a QBDT edition along with a remote-access service (if you need remote access).

Work with Your Accountant

Even if you only use your accountant for tax preparation, if you are thinking of switching to different accounting software, discuss the change with your accountant. He or she may be able to shed some light on options that will make it easier for you to work with their accounting firm. Also, some accountants have a reseller agreement with Intuit, so they may be able to sell QuickBooks products, upgrades, and related software or services at a discount compared to what you would pay if purchasing directly from Intuit.

Bandwidth (Connection Speed)

Before you commit to any remotely accessed accounting system, try it for at least 30 days from the location where you plan to normally do accounting work. You need to see whether the computer, remote service, and Internet connection you plan to use work together responsively enough to satisfy you. Every accounting program and remote service worth considering

has a trial period or test system available that you can try for a while to see if it suits your needs.

 **By "commit to" in the prior paragraph, I mean "move your accounting records to".**

Switching entirely to cloud-based accounting from a desktop accounting system can be a major step to take. With QBO, the biggest concern is that if you operate with QBO for a while, then decide to go back to QBDT, some of the customizations you originally had in QBDT—things like memorized transactions and memorized reports—will be gone (not be available for moving back to QBDT).

A good rule of thumb is that your Internet service should have a downstream (download) speed of at least 5 Mbps (megabits per second) most of the time, or it will seem sluggish to use for remote accounting.

 **One of the QuickBooks hosting companies** recommends 3 Mbps as a minimum downstream speed. But if that is the *stated* (advertised) speed of the Internet connection you are using, the actual speed will be less at some times. A service with a 5 Mbps stated speed is more likely to be satisfactorily responsive more of the time.



How can you find out the speed of your Internet connection?

I'm not talking about its *advertised* speed but the *actual* speed you experience at your location. The best way to know is to measure it, and there are lots of Web sites that will do that for you, for free. Here are links to a couple well-known (and safe to use) ones:

Ookla Speed Test:  speedtest.net

AT&T Internet Speed Test:  att.com/speedtest/

If you try both of these, or others, you may be surprised at how much the results can vary. If your Internet Service Provider (ISP) says you have 10 Mbps service, some of the tests might report 12 Mbps or more as a downstream (download) speed while others may report considerably less. Each test measures speed a bit differently, and the time of day when you use them will affect the results a bit. But all of them will give you a good general idea of your Internet connection speed.

One more thing: if you have the most recent Windows 10 update you won't need to visit a Web site to run a speed test—you can run a connection speed test by clicking a button in Network Status.



More about bandwidth and connection speeds

Bandwidth refers to the amount of data that can travel over a connection (wired or wireless) in a certain amount of time. Think of it like the flow rate of water through a pipe. Just as gallons per minute is a measure of the flow rate of water, megabits per second (Mbps) is a measure of the flow rate of data.

Downstream (download) speed means the capacity available for receiving data over a connection, while *upstream (upload) speed* is the connection's capacity for sending data from your computer or device. Most Internet services have a downstream speed several times greater than their upstream speed. That's good, because when you are connected to the Internet much more data will be flowing to your computer than will be sent from it. (The content displayed on Web pages represents the lion's share of Internet connection traffic for most people.)

Connection speed is one of the reasons articles from urban writers and bloggers more often describe their experience with online accounting systems (QuickBooks Online or one of its competitors) positively. Cable Internet or broadband connections with speeds of 50 to 100 Mbps are not uncommon in urban areas.

Most rural areas don't yet have Internet service with speeds that high—5 to 10 Mbps service is common as this is being written. And some kinds of rural Internet service have speeds which are more variable than others. For example, satellite Internet service speeds can vary considerably with weather. All of this is rapidly changing, but for now connection speed is something many rural customers should consider before moving entirely to cloud-based software.

One more thing to understand: connection speeds do not directly indicate the response times you will notice on your end of an Internet connection. While 10 Mbps service will be faster than 5 Mbps service, it *will not* be twice as fast. Response times depend on many factors besides the raw speed of the connection. For example, when there's a lot of traffic on the Internet or the server you are connecting to is very busy, having a fast local connection will have a limited effect on the response time you experience.

QBO and QBDT Features and Possibilities, Today and Tomorrow

Here are some random thoughts on current and future features and possibilities related to QBO and QBDT:

- How viable will QBDT be over the long run? I think it will be around for a good while, probably longer than Intuit will publicly admit. This is especially likely for the higher-end QBDT versions (Premier, Accountant, and Enterprise), because their more advanced features are less likely to be duplicated in any QBO edition any time soon.
- Will new features be added to QBO which may never be added to QBDT? Probably so—in fact some minor features have already been added to QBO which are not in any of the QBDT editions. My guess though, is that more of the new features added to QBO will focus on

connectivity with other cloud-based apps and data than on core accounting capabilities.

- What features are currently in QBO but not in QBDT, which make the QBDT editions less useful than QBO in a typical farm or ranch accounting situation? I cannot think of any.
- What features are available in QBDT but not QBO, which make the QBO editions less useful than QBDT in a typical farm or ranch accounting situation? Most of the features missing from QBO are minor annoyances rather than "deal breakers" for most users. However, a few are important:

Report limitations. Some QBO users are unhappy with its current reporting capabilities and more limited customization features. Again though, this can be remedied by adding a 3rd-party reporting app.

An atrociously poor inventory system for cash basis businesses—which includes most farms and ranches. I realize this sounds harsh, but it's meant to be an accurate assessment. A lot of accrual recordkeepers are barely satisfied with QBO's current inventory features, but when it comes to handling cash basis inventories QBO has *major deficiencies*, as described in the Accounting 101 discussion below.

Lack of a Sales Orders feature. QuickBooks Premier and Enterprise both support sales orders, which allows keeping records of sales you intend to make. Though not a lot of farm businesses use Sales Orders, they are excellent for tracking contracted grain or livestock, contract deliveries, and so on.



Accounting 101: QBO's shortcomings for cash basis farm inventories

The inventory systems of both QBO and QBDT were designed to support traditional accrual accounting inventory concepts. The difference is that QBDT's inventory system is sufficiently flexible that it can be easily "tricked" into working well for keeping track of cash basis farm inventories like grain or livestock. QBO's system, as of today, cannot. Here are the details:

- **The crux of the problem** is that most farm businesses (and some others) are essentially manufacturers from an accounting and inventory standpoint, but because they use cash basis accounting the cost of the inputs they use in "manufacturing" crops, produce, and livestock gets expensed at the time of purchase. (In accrual accounting for a manufacturing business, those costs would be accumulated in Work In Process (WIP) accounts and then deducted later as a Cost of Goods Sold (COGS).)
- **QBO's inventory system does not support selecting an equity account** in place of a COGS account when setting up inventory Items. (Items, also

known as Products and Services in QBO, are identifiers for specific inventories such as Corn, Soybeans, or Feeder Cattle.)

Being able to use an equity account in place of a COGS account is essential for properly recording production and sales of farm inventory Items. When crops are harvested or livestock are born they need to be added to farm inventories, but when this gets done the increased value of those inventories must be offset to an equity account because, as mentioned above, the costs of producing those crops or livestock have already been expensed. Likewise, when inventory Items are sold their asset value needs to be offset to an equity account, not to COGS. (Amounts posted to COGS appear as expense on profit and loss reports, which would cause expenses to be double-counted.)

One workaround would be to use Journal Entries to move COGS account balances to an equity account prior to printing profit and loss reports—*not at all end-user friendly!* It would require more accounting expertise than most QBO users possess.

- **QBO's inventory system is poorly suited for making adjustments** in the quantity and value of inventory Items on hand. That getting farm production (raised crops, livestock births, etc.) into inventory very difficult, requiring a very non-intuitive combination of transactions and manipulations of Products and Services (Items).

In QBDT, inventory adjustments are easy. For example, when soybeans are harvested you simply adjust the quantity and value for the Soybeans Item. That updates the Item's on-hand quantity, price, and the inventory asset value of soybeans.

 **Not being able to easily adjust farm inventory values in QBO** makes preparing a cash basis farm business balance sheet entirely within QBO very difficult. A better solution is usually to open a balance sheet report in QBO and export it to a spreadsheet, where inventories can be added/adjusted before printing.

- **The Categories feature**, recently added to the Products and Services (Items) list in QBO, does away with the hierarchical (Items and subitems) structure of the Products and Services list. In some ways this is good, because it simplifies the list. But not having subitems prevents using some advanced inventory techniques which (in QBDT) make it possible to keep track of prepaid sales of inventory items—as when a customer pays in advance for something they will pick up at a later date, such as hay.

A New Book from Flagship Technologies, Inc.

I guess it's time to "spill the beans" about a project we have underway at Flagship Technologies, Inc., because it relates to thoughts about moving from QBDT to QBO. If you move to QBO you will miss out on our forthcoming book for the desktop editions of QuickBooks, due for publication in the fall of 2016. This will be *the most significant addition to the QuickBooks Cookbook™ series in nearly 20 years.*

Dealing extensively with farm inventories, the new book will be an addition to the QuickBooks Farm Accounting Cookbook™ but not a replacement for it. Most QuickBooks users in agriculture will benefit from having both editions as farm accounting references. (Anyone who has purchased a copy of The QuickBooks Farm Accounting Cookbook™ will be offered a discount on the new book when it is released.)

The new book will be produced both in print and e-book editions, and the e-book will be available on Microsoft Windows and Apple Macintosh computers as well as Apple and Android mobile devices.

"Inventories? What do I care about inventories? Why would I want to keep track of them in QuickBooks?"

The book will show why almost every farm business should be using the inventory system in QuickBooks for at least the major commodities they produce.

- *Do you store grain? Do you know how many bushels are left in each bin or commercial storage location? (Getting this information from QuickBooks is easier than you probably think that it is.)*
- *Do you forward contract grain? Use basis contracts? Use price-later contracts? Want to know how much is left to deliver on each contract? How much of your inventory is un-contracted?*
- *Do you sell hay? Do some customers pay ahead for hay they will get from you later?*
- *Do you have difficulty keeping track of resale livestock?*
- *Is preparing a farm business balance sheet a big chore? The job can be much easier if you use QuickBooks to keep track of the major inventories of the farm business.*

These are just some of the topics the book will cover. And as with all books in the QuickBooks Cookbook™ series, it will be loaded with detailed and practical step-by-step examples.

That's about as much as I can tell you for now. If you want to be notified when the new book is released, sign up for our email newsletter at www.goflagship.com.

- ★ **What about a QuickBooks Online edition?** Right now QBO's inventory system greatly limits its use for cash basis inventories in farming and ranching, so a QBO edition of the book won't be produced until either QBO's inventory features are changed to be more suitable, or an inventory add-on becomes available which overcomes QBO's inventory system shortcomings.

The Bottom Line

Generalizations are difficult because so many factors are involved. But to boil all of this down as much as possible, here are my observations.

- If you want remote access to your QuickBooks data for up to 3 to 5 users and/or your accounting needs are fairly simple/basic, QBO is a good choice. It requires minimal effort from you for maintenance activities like making backups. However QBO can be more expensive to use than QBDT—or QBDT plus a file sharing service of some kind, if you need remote access. So if you are already using QBDT, investigate the costs of available options before you switch.
- If you want access to the widest range of accounting capabilities at low to moderate cost, QBDT is your best option. If you want robust features for reporting, inventories, or Job costing, and you prefer software which is quick and responsive (especially if you have slow Internet service), then QBDT is the better choice. At \$9 per month, a service like [QBox](#) can give you some of the benefits of remote access at a low cost.
- If you want access to the widest range of accounting capabilities plus full, multi-user remote access to QuickBooks, hosted QBDT is your best alternative—if you can justify the steep price for QuickBooks hosting. Most hosting users who can afford what it costs are very happy with the flexibility and responsiveness of their remote-hosted access to QuickBooks.

A final word...

Cloud-based accounting products like QuickBooks Online are the wave of the future, but there are still some wrinkles to be worked out. The improved features, better service reliability, and faster Internet speeds that QBO needs will be here "soon". For now, if you take a step in the direction of cloud-based accounting, *step carefully!*

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***To purchase copies of this book or e-book,
or others in the QuickBooks Cookbook™
series, visit our Books page on the Web:***

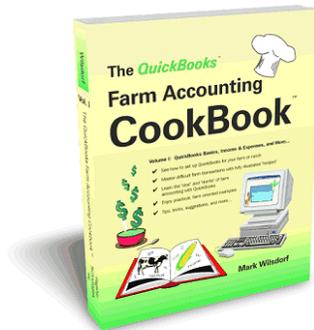
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Appendix



Other Flagship Technologies Products

Here are other descriptions of QuickBooks add-on software and book titles available from Flagship Technologies, Inc. Visit us on the Web at www.goflagship.com.



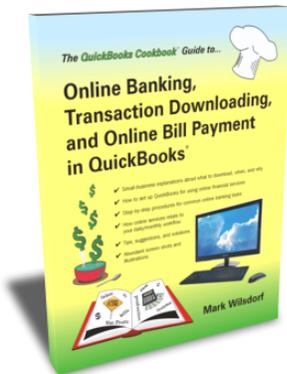
The QuickBooks Farm Accounting Cookbook™

The QuickBooks Farm Accounting Cookbook™, by Mark Wilsdorf, is a 370-page book written for QuickBooks users in agriculture. This step-by-step guide and reference is written specifically for farmers and ranchers, and provides information about setting up QuickBooks for a farm business (Accounts, Classes, Lists, etc.) plus loads of transaction examples—all of them agricultural! It's called a "cookbook" because of its recipe-like approach to dealing with agricultural accounting topics and problems. Though written for the desktop editions of QuickBooks, some of the Cookbook's information is useful for anyone who is setting up and using QuickBooks Online for agricultural accounting.

The QuickBooks Farm Accounting Cookbook™ is another title in the **QuickBooks Cookbook™** series from Flagship Technologies, Inc.

The QuickBooks Farm Accounting Cookbook™ on the Web:

www.goflagship.com/products/cbhome.htm



Online Banking, Transaction Downloading, and Online Bill Payment in QuickBooks

Online Banking, Transaction Downloading, and Online Bill Payment in QuickBooks is a 105-page book about using online financial services in QuickBooks. Written for people who use QuickBooks day-to-day in a small business, it guides readers through setting up and using online banking and other online financial services with step-by-step procedures and abundant screenshots.

Online Banking, Transaction Downloading, and Online Bill Payment in QuickBooks is another title in the **QuickBooks Cookbook™** series from Flagship Technologies, Inc.

Online Banking, Transaction Downloading, and Online Bill Payment in QuickBooks™ on the Web:

<http://www.goflagship.com/products/onlhome.htm>



ManagePLUS Gold for QuickBooks is the premier cost allocation and Class analysis add-on for desktop editions of QuickBooks. With an easy drag-and-drop interface, it lets you set up procedures for allocating direct and indirect costs from Accounts to Classes, and from Classes to other Classes (i.e., from cost center to profit center Classes). Costs can be allocated by percentages, or based on management quantities (cost drivers) associated with the target Classes, such as gross income or the amount of production—units, pounds, bushels, tons, etc..

Once an allocation plan has been set up, you can send allocation transactions directly to QuickBooks with a single click. Allocation plans carry for-

ward to subsequent accounting periods, so once you have a plan set up very little effort is needed to create allocations in the next quarter, next year, and beyond.

ManagePLUS Gold is *the best product available for allocating indirect costs in QuickBooks* period. It simplifies and speeds up cost and profitability analysis for individual cost center and profit center Classes of the business (activity-based costing). And it produces spreadsheet-based profit analysis reports for individual Classes in a vertical format—a welcome alternative to QuickBooks' Profit and Loss by Class report.

ManagePLUS for QuickBooks has a subset of the features in ManagePLUS Gold—only the cost allocation features are missing. ManagePLUS gives you reports with per-unit revenue and cost information—things like fuel and maintenance costs per mile driven by trucks in a fleet, materials costs per unit of production in a factory, herbicide and fertilizer cost per acre or per bushel of corn production, and so on. The expanded quantity handling and reporting it offers—including support for storing and reporting on *two quantities* in QuickBooks transactions (usually, a weight and a count or quantity)—is something not found in any other QuickBooks add-on.

ManagePLUS and ManagePLUS Gold work with these Microsoft Windows desktop editions of QuickBooks:

U.S.: Pro and Premier editions of QuickBooks 2003 and later, and Enterprise Solutions 3.0 and higher.

UK: Pro and Premier editions of UK QuickBooks 2004 and later.

Canadian: Pro and Premier editions of Canadian QuickBooks 2004 and later.

A **30-day free trial** is available to download—no commitment and no credit card required!

ManagePLUS on the Web:

📄 www.goflagship.com/products/mphome.htm

ManagePLUS Videos:

📄 www.goflagship.com/products/mpvideolib.htm

FormCalc™
for QuickBooks

and

FormCalc SST
for QuickBooks

FormCalc for QuickBooks and **FormCalc SST for QuickBooks** are calculation add-ons for the desktop editions of QuickBooks. They give you calculated columns, column totals and subtotals, across-column calculations, and much

more on QuickBooks forms such as Invoices, Sales Receipts, Estimates, Credit Memo/Refunds, Purchase Orders, and Sales Orders.

FormCalc SST for QuickBooks is our most powerful add-on for doing calculations on QuickBooks forms. Our customers use it for calculating shipping weights on invoices, box and pallet counts, area calculations (yards of fabric, board-feet of lumber, etc.), quantity totals for alcohol taxation record keeping requirements, markups on materials purchased for Jobs, and much, much more.

FormCalc SST gives you capabilities like simple and complex calculations involving any number of columns on a form, column totals and subtotals of any column, access to the form's header and footer fields as data for calculations, IF logic in calculations, a "mini-spreadsheet" feature for calculations involving data from several lines of the form, plus the usual spreadsheet mathematical, statistical, date, text handling, and results formatting functions.

FormCalc SST can be installed on individual PCs or installed on a server and used across a network. It also works in QuickBooks hosting environments such as [Right Networks](#), [Cloud9](#), and others.



Both FormCalc and FormCalc SST work with most Microsoft Windows desktop versions of QuickBooks, *including most older versions and non-U.S. versions*: **US, UK, Canadian, and Australian**

A **30-day free trial** is available to download—no commitment and no credit card required!

FormCalc SST on the Web:

www.goflagship.com/products/sst.htm

See real-world examples of problems solved with FormCalc SST:

www.goflagship.com/products/sstprobsolv.htm

FormCalc for QuickBooks is an older design of the product. It can provide column totals and subtotals, and across-column calculations, but it only supports addition, subtraction, multiplication, and division in calculations. Though more limited in math capabilities, FormCalc can accomplish all of the calculations most users need, at a lower price than FormCalc SST, and is very simple to set up. FormCalc is designed for installation on individual PCs. (For networked installations or use on a QuickBooks remote hosting service we recommend FormCalc SST instead.)

A **30-day free trial** is available to download—no commitment and no credit card required!

FormCalc on the Web:

🔗 www.goflagship.com/products/fchome.htm

See real-world examples of problems solved with FormCalc SST:

🔗 www.goflagship.com/products/fcprobsolved.htm

FULLSPEED The macro calculator

If you've used word processing software, you probably know what a macro is: a group of commands you can put together quickly to do some repetitive job like adding blank spaces at the beginnings of several lines, or changing underlined words to italics on an entire page. FullSpeed works like that, *but for calculations*.

FullSpeed has spreadsheet-based math capabilities like FormCalc SST for QuickBooks (described above) but operates in a free-form manner, from wherever the cursor is located in a form in 🔗 [QuickBooks Online](#), 🔗 [Xero](#) accounting software, or one of the 🔗 [QuickBooks desktop editions](#). You just click where you want the calculation to start, then press a hotkey to invoke it.

We originally designed FullSpeed to add calculation capabilities to cloud-based products like QuickBooks Online and Xero, but because it operates differently from FormCalc SST, some customers have found it to be the best solution to unusual calculation needs in the QuickBooks desktop products.

A **30-day free trial** is available to download—no commitment and no credit card required!

FullSpeed on the Web:

🔗 www.goflagship.com/products/fullspeed.htm

See real-world examples of problems solved with FormCalc SST:

🔗 www.goflagship.com/products/fspprobsolv.htm

Catch Weights™ for QuickBooks

Catch Weights is an add-on for QuickBooks desktop edition users in the meat, seafood, and food wholesaling industries. It allows entering a list of catch weights—multiple individual weights—on any line of a QuickBooks Invoice or Sales Receipt, then writes the total weight in the Quantity column and adds the list of individual weights to the Description column.

Catch Weights works with most Microsoft Windows versions of Quick-Books, *including most older versions and most non-U.S. versions*: **US, UK, Canadian, and Australian**

A **30-day free trial** is available to download—no commitment and no credit card required!

Catch Weights on the Web:

 www.goflagship.com/products/cwthome.htm

Catch Weights video:

 www.goflagship.com/products/cwthome.htm#video

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