QUICKBOOKS ON CLOUD

Surviving and thriving in the world of cloud

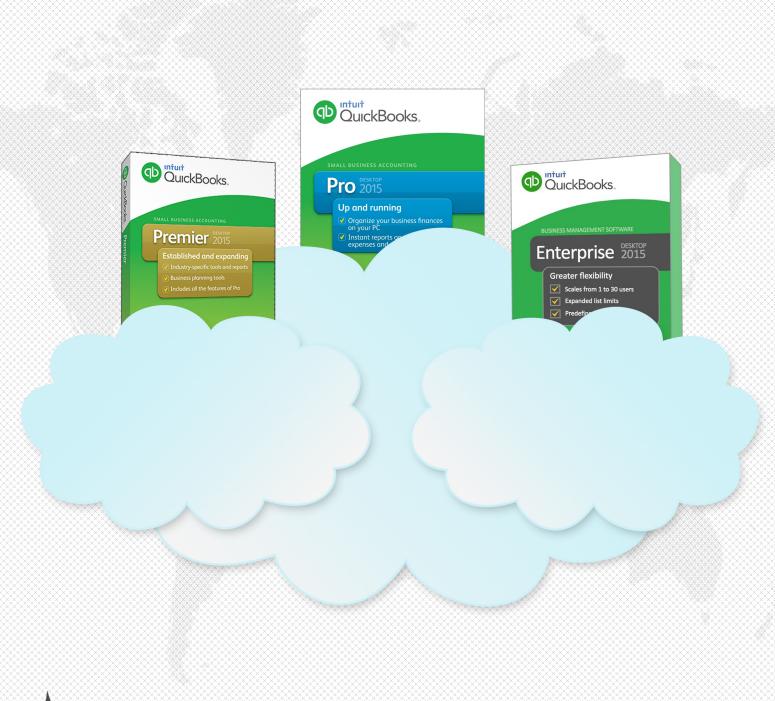




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Executive Summary

While accounting hasn't changed much over past years, in the last 20 years since cloud computing was invented, needs of businesses have changed drastically. Series of upcoming market trends are reforming the financial and accounting requirements of companies of all sizes.

Nobody anticipated this explosion in business' needs and information requirement. With the emergence of technologies like cloud computing, they have a new opportunity for innovation.

The benefits of cloud technology – high ROI, staff efficiencies and enhanced visibility – have piqued the interest of CPAs and small businesses in the technology. This whitepaper discusses about hosting QuickBooks on cloud and examine how it is beneficial for businesses in their financial transactions.

Introduction

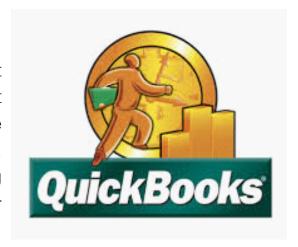
With the accounting industry moving towards cloud on a fully online working model, users believe that moving their applications to the cloud is the best option they have.

Hosting QuickBooks desktop edition means that the service provider installs and manages the software and files on their cloud-based servers. Users don't need to install QuickBooks on their computers, since internet connection is used to connect their QuickBooks and the company data.

Large number of businesses, CPAs and non-profit organizations turn to QuickBooks to keep a track of their finances. Over the years, Intuit has introduced various editions to satisfy the needs of their users.

What is QuickBooks?

Keeping a track of business finances can get overwhelming fast. This is the reason most business owners use accounting software. One such bookkeeping software is QuickBooks. Made by Intuit, QuickBooks is an accounting software that helps businesses to keep their finances organized and accurate.



Along with the basic accounting, reporting and invoicing, this software also offers add-on services allowing you to handle things like inventory tracking, payroll, sales and credit card processing. The software is updated every year, with added features.

Use of QuickBooks Software

QuickBooks is one of the best businesses accounting software and does number of things for its users. The best thing about the software is that it can be customized to fit the business requirements.

The software developed by Intuit can be customized based on the requirements of business. It helps to:

- 1. Set up a trail balance account that allows financial reporting and fiscal management.
- 2. Scan documents as well as images directly into the accounts payable that saves time over manual entry.
- 3. Precisely tracks expenses and income that helps to keep you "tax return ready" for complete year.
- 4. With its Smartphone mobile app, QuickBooks makes accounting more convenient for people to manage their business.
- 5. The software offers Document Management, allowing quick document scanning that can be loaded directly into the correct area.
- 6. With the help of third-party software applications, QuickBooks makes transition to the program much easier.
- 7. The software helps to easily enter bills and checks to keep track of outstanding items at a glance.
- 8. With QuickBooks, one can prepare payroll, alert you when your tax payments are due and when the reports are required to be filled.
- 9. QuickBooks allows you to store PDF copies of invoices, bills and other pertinent information and attach directly to QuickBooks transaction. This allows you to go paperless.
- 10. The software also allows printing of professional looking reports accurately and memorizes custom reports.

With so many features at one place, QuickBooks can help you take sound financial decisions by keeping you mindful of all the activities on a daily basis.

QuickBooks Hosting

What is QuickBooks Hosting?

In technical terms, Hosting of QuickBooks is the outsourcing of QuickBooks software to a cloud service provider. According to Intuit definition¹, hosting is where the computer storing a company file, which is the host, allows other computers to access the file.

In simple terms, QuickBooks Hosting is a set-up that allows end-users to have licensed copies of QuickBooks software installed on servers in authorized hosting facility and then they can access the software from anywhere over the internet.

Need and Importance of QuickBooks Hosting

With computers becoming viable for businesses, data and applications have made a move from centralized hosts to local computer environments. Introduction of cloud technology has bought an increasing interest in subscription based models and has become the focus of accounting industry.

1. Anytime, Anywhere Access

Businesses are rapidly accepting the concept of remote access and work from home to get the work done in lesser time, making the traditional idea to be present in office more and more obsolete.

It doesn't matter where you are located or where your staff is located. As long as you have the internet access, you can get to work on your QuickBooks on cloud.

Business with multiple locations finds that centralized access to their data allows users to function as though they are in the same office.

2. Lease QuickBooks Licenses

Intuit Authorized QuickBooks hosting provider has the ability to rent QuickBooks licenses, enabling users to start with it with no up-front cost of complete QuickBooks license. Major benefits it provides:

- This helps to save time and money.
- An affordable way to get outsourced and temporary employees to work on your data.
- This is the perfect solution for accountants and CPAs that upgrade QuickBooks each year.
- Allows users to always be on the latest version at an affordable monthly cost.

3. Multiple QuickBooks File Access

More and more users want to access QuickBooks simultaneously and remotely, for numerous reasons.

QuickBooks on cloud allows you to access multiple company files from a single logged-in account, within hosted desktop. Users can simply work with multiple company files at the price of a single user login.

4. Flexibility of Accounting Practices

QuickBooks on cloud enables employees to work in any location. So, if you need access to your files and data while you are off-site, it is easy to connect to your virtual accounting, quickly. Your files and data are no longer stuck at one place.

5. Enhanced Reliability

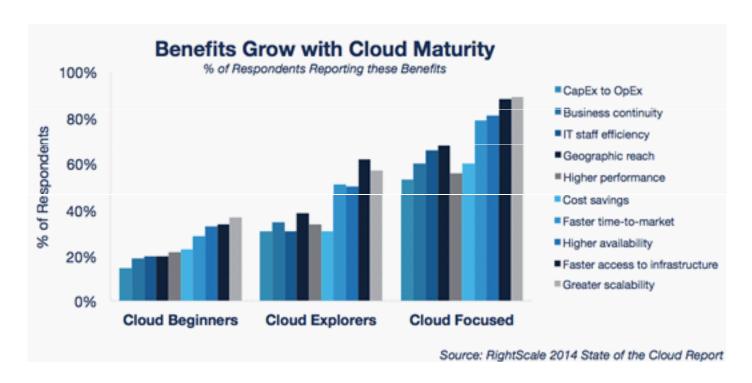
Security is one of the prime concerns for businesses when moving their data to the cloud and understandably so. Threat to data can occur due to laxity in transferring of data in the network. The hosting services provide financial professionals a peace of mind, in case any disaster strikes.

With QuickBooks hosting service providers, your data is saved in their fully protected and secure data centers.

- Continuous virus scans are performed
- Data transfer is done through encrypted data transfer protocol
- Software updates are installed and tested by professionals

6. Faster Scaling and Growth Opportunities

Greater scalability and faster access to infrastructure are among the key findings of 2013 State of Cloud Report.



Around 85% SMBs reported² that cloud computing has enabled them to scale faster, while 60% said that cloud technology lets them outperform against their competitors. Cloud allows small businesses to free up their resources, enabling them to work from any location, thus improving sharing and collaboration.

7. Because Money Makes Sense

One of the greatest benefits of QuickBooks on cloud is the financial gain, since it provides varying data plans according to specific needs. Small businesses have the option to choose the plan that suits their requirements.

8. Ease of Collaboration

The latest innovation in cloud technology is making applications even more collaborative. Accessing files through cloud allows CPAs and their users to work from the same master document. Accountants can also discuss about project through video chat or email.

9. Automated Continuous Backups

It takes a lot of time and effort to make sure that you have the complete records of your financials. With QuickBooks hosting, all the files are backed up, continuously and automatically, keeping the data safe from hardware or software failure, and viruses.

Automation reduces the possibility of human error as well as the administration cost. So, if there is any issue with the current data, users can ask for the latest working copy of the file with no additional cost.

With hosted QuickBooks, clients are assured that there is always a backup copy ready to be uploaded to the server.

10. No Additional PC or IT Support Required

Hosted QuickBooks reduces the need of IT support and maintaining local network. There is no need to locally install the application on the server since QuickBooks is installed and run on terminal servers of ASPs configuration.

Since technical and IT support is provided by the hosting providers, SMBs can live up to the concept of Lean and Thin IT through QuickBooks hosting. There is no need of expensive IT equipment and expertise.

11. 24x7 Technical Support

Hosting companies provide free 24/7 technical support – 365 days a year for all users via phone, chat or email. Hosting comes with a pro-active system monitoring and technical support to help you troubleshoot issues faced.

Future of QuickBooks Hosting

Technology is moving consistently to the cloud and cloud computing is seen as the next wave by businesses, be it small or big. It's no secret that cloud technology has taken off in the recent years with new business applications.

It is evident that QuickBooks online is the focus for Intuit in the coming years and Intuit's quarter 2014 report ³ explains why:

According to Neil Williams⁴, Intuit CFO:

"We've described how the cloud is a better experience for customers. It's also a better business model for our shareholders since the lifetime revenue of QuickBooks Online customers is greater than that of desktop customers..."

The statement makes it clear that Intuit believes that online QB will dominate the market in the coming years.

Joe Woodard, an expert in the field of QuickBooks Hosting, argues⁵ that Intuit's decision to offer their partnership to third-party providers, rather than providing hosting services directly, is the right one.

However, this doesn't mean that desktop QuickBooks is going away. QuickBooks hosting industry is a vital strategic technology for customers. When it comes to features and benefits that hosted QuickBooks provides, QB online hasn't yet come any close. QuickBooks hosting provides the access to the software with key advantages of QuickBooks online, eliminating key disadvantages.

QuickBooks hosting enjoys market dominance and will remain the cornerstone of cloud strategy in the future as well.

Hosted QuickBooks vs. QuickBooks Online

Hosting QuickBooks and QuickBooks Online are entirely different and fit into different situations. So, comparing the two may not be the right thing to do. These are different ways of approaching the business challenges faced by accountants and small businesses

The table below describes the major differences among the two:

| Hosted QuickBooks | QuickBooks Online |
|--|---|
| Includes additional features such as budgeting, planning and forecasting | No additional features as in QuickBooks hosting |
| Faster access to information and easy streamlining of everyday tasks by organizing all data in one place | Heavy traffic may slow down the service response time, preventing access to files and company data |
| One-time purchase, making it a cheaper option | Monthly subscription is required |
| Hosting providers implement several measures to ensure data security such as encryption and SSL technology | Possibility of malicious hacker to break through security configuration and access accounting data |
| QuickBooks hosting provides numerous add-on features for the customers | There are no add-ons in Online QuickBooks like Marketing plan software, UDA construction suite and job costing software |

How to Find the Right QuickBooks Hosting Provider?

With hosted QuickBooks becoming an industry norm, it becomes important to understand the technology and choose the cloud provider wisely.

For small businesses who decided to run their accounting software in the cloud, their best bet is to select a service provider from among Intuit Authorized Commercial Hosts⁶. These are the providers who have executed agreement with Intuit that allows them to provide QuickBooks hosting lawfully and provide management of desktop software on their cloud servers.

Finding the right QuickBooks hosting service provider for any business or CPA should be approached with a comprehensive understanding of their expectations from the provider and what their responsibilities would include. There are areas beyond pricing that should be well explored before signing any agreement.

- **1. Providers do not build QuickBooks software:** Hosting service providers do not have the control over how the QuickBooks is built, they simply host it on cloud. So, don't expect anything more from the QuickBooks, simply because it is hosted.
- **2. Server and Maintenance is responsibility of providers:** When you are hosting the software on third party hosting service providers, they are responsible for not only the server, network and infrastructure but also the setup, configuration and maintenance of the system.
- 3. **Technology is important:** Evaluation in technology is not only related to the tool being used to deliver the service, but also the tools used to assist users while dealing with them. Providers should be able to recognize both the elements that are critical to providing quality overall experience to their users administration and service delivery.
- **4. Get details about licensing and subscription:** Intuit decides which QuickBooks licenses can be hosted and which are available for rental subscription. Get all the details about what editions and versions are available with them and check out their policies related to upgrades and updates. Be cautious if the hosting provider says you don't need license or prompts you to buy one with their services.
- **5. Providers offering another QB licenses, is a red flag:** If your hosting provider is asking for another QB license or login for another user at different time, you should not fall into that trap. With no equivocation, each user is supposed to have its own login along with its own QuickBooks license. Such providers should be ignored from the beginning since it's a risk to use their cloud services.
- 6. Check their level of security and redundancy: Each QuickBooks hosting provider has an essential level of security and redundancy, but problems can arise. Understand the technology being used by provider for communicating with customers during any issue is an important factor in making a selection.
- 7. Find out their data backup policy: Customers are responsible for the maintenance and periodic conditioning of their company files, so that it doesn't cause a problem on their servers. However, make sure that the service providers are taking daily backups of data you have on their servers.

Selecting the right hosting provider – the one who offers complete transparency and meets your expectations – is crucial for key business decisions. There is a lot to consider when selecting the hosting provider, apart from the points mentioned above. While pricing is important, businesses should focus more on other aspects that reveal the working of hosting provider and whether or not they can help meet your business demands.

Versions of QuickBooks

QuickBooks has different versions available based on the requirements of the company. Here is an overview of each version, helping to make the right choice.

QuickBooks Pro: The version is made for small businesses with a basic accounting package. This version allows businesses to create invoices, track and manage their basic accounting requirements. Some of its features include:

- 1. Create and email sales and purchase orders
- 2. Print checks, manage expenses and pay bills
- 3. Manage payroll, taxes and direct deposits

QuickBooks Premier: This version is for large businesses having more than one user doing bookkeeping work. It has all the functions of QuickBooks Pro, along with features mentioned below:

- 1. Track information by location or department
- 2. Customize reports including sales and profitability report
- 3. Allow access to multiple users in QuickBooks at the same time

QuickBooks Enterprise: This version is for large companies with many products, departments and employees. The version introduces advanced inventory control functionality.

- 1. Track inventory in multiple warehouses
- 2. Organized for larger company data files and network usage
- 3. Create field offices with independent reporting

What's new in QuickBooks 2015?

Intuit has released a new version of QuickBooks Desktop, QuickBooks 2015. Designed to improve efficiency and simplify communication between accountant, CPA and the client. The version has some new features, as explained below.

New! Accountant Toolbox

Availability: Accountant Toolbox is available in QuickBooks Pro and Premier.

Functioning: This tool provides powerful features for accountants working with client's data while they are on-site at the client's business as external accountant.

Accountant ToolBox allows you to:

- 1. Re-classify and batch enter transaction
- 2. Write Off Invoices
- 3. Access Client Data Review Tools
- 4. Single-click access to any client from anywhere

Accessibility: You can access the tool if you have purchased QuickBooks Accountant Plus subscription or you are a ProAdvisor.

How it helps: With the access to accountant features from client's QuickBooks, Accountant Toolbox improves productivity.

New! Insights Dashboard

Availability: This feature is free and is available in QuickBooks Pro, Premier and Enterprise along with QuickBooks Accountant.

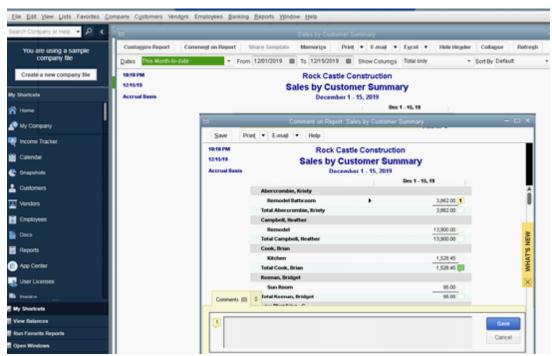
Functioning: A new dashboard, Insight, is introduced in QuickBooks 2015 to gain insight into client's business process, with a more cleaner and up to date user-interface as compared to previous *Company Snapshot*. This feature is full of colorful data and information about the financial position of your business.

Accessibility:You can find it as Homepage tab and configure using gear icon the top right-hand corner of the screen.

How it helps:

- 1. View your open and outstanding Account Receivables
- 2. Chart your monthly Profit and Loss
- 3. Manage your tasks with improved Reminder Window option and Notes

New! Comments on Reports



Availability: Every QuickBooks user type has the access to this feature. Based on the user limitation, users cannot open a Commented Report for which they do not have access to.

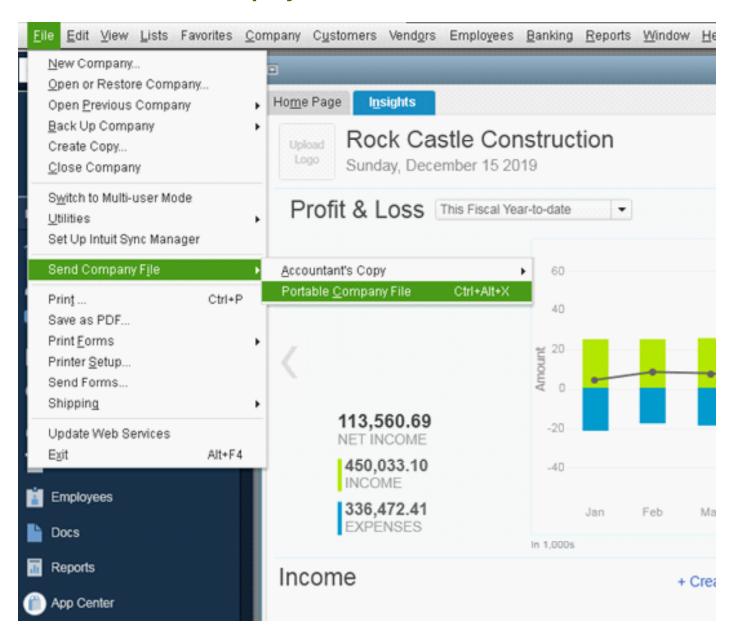
Functioning: This feature enables you to annotate comments to reports, take snapshot of reports and save them as Commented Reports. You can then batch mail and batch print these reports to the clients. This handy feature eliminates the need to craft lengthy mails outside of QuickBooks.

Accessibility:

- 1. Generate report
- 2. Click on "Comment on Report"
- 3. Click comment icon on any line of the report
- 4. Click Save

How it helps: The feature makes it easy to ask a bookkeeper or an accountant the questions related to financial reports right inside the report.

New! Send Portable Company File



Availability: This feature is available in QuickBooks Pro, Premier and Enterprise.

Functioning: It integrates cloud storage platform for customers using cloud services like DropBox and Google Drive. After initiating file sharing, QuickBooks will remember the previous storage location and automatically appends Date and Time to the file name. So you need to simply press the 'Send' button each time you send the file.

This streamlined feature makes sending of portable files easier as compared to the previous versions of QuickBooks.

Accessibility: The option located under File Menu, select Send File, Send Portable Company File.

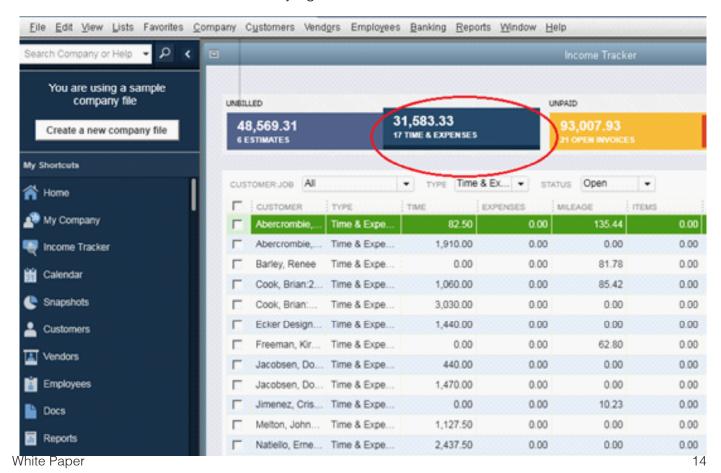
How it helps:

- 1. This new features precludes confusions about sending the wrong file or saving the copy in wrong format or sending files that are not accessible to accountant.
- 2. It reduces the complexity of sending files and streamlines the process by remembering the save location.
- 3. No technical support interference from accountant to explain the client how to save proper file type and attach to mail.

New! Time and Expenses on Income Tracker

Availability: QuickBooks Pro, Premier, QuickBooks Enterprise 15.0 and Accountant Desktop 2015

Functioning: If you liked Income Tracker, you are sure to like this feature. The new Income Tracker is a huge time saver by brining multiple reports onto the same screen and letting users take immediate action, while staying on the same screen.



Accessibility: In the Menu bar, select Company, Income Tracker.

How it helps:

- 1. View unbilled time and expenses and sort the on-screen information in income tracker
- 2. You can view any billable time and expenses records that have not been billed to the customer
- 3. All income-producing transactions are at one place that includes overdue invoices, making it easy for you to remind customers to pay up

New! Terminate QuickBooks Running on a Workstation

Availability: QuickBooks Pro, Premier Enterprise 15.0 and Accountant Desktop 2015

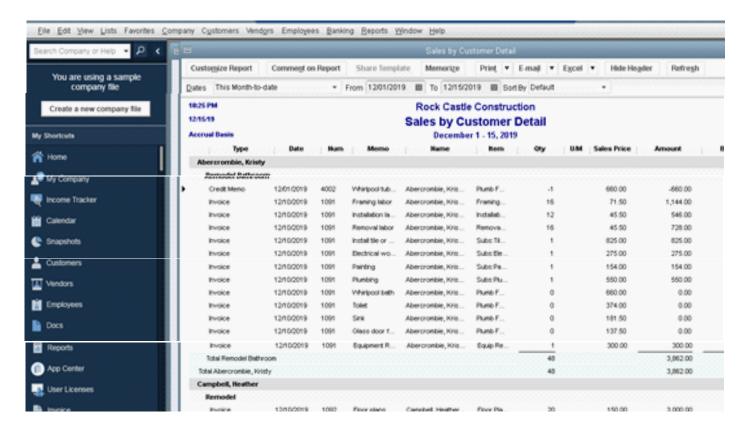
Functioning: A new feature that is dangerous at best. The feature allows administrator to terminate QuickBooks without the permission of users who may be logged in and even if there is unsaved data. This feature should be used cautiously since it would not save the transaction that was being created and was incomplete.

Accessibility: This can be accessed through the QuickBooks Messenger Window.

Improved! Report Redesign

Availability: The feature is available with QuickBooks Pro, Premier, Enterprise 15.0 and Accountant Desktop 2015

Functioning: This is probably one of the best feature for those who need more sophisticated reports.



Intuit wants to make reporting easier for accountants and CPAs while on the screen. You will see the background lines the same as the vertical and horizontal lines.

Accessibility: From Menu bar, go to Reports.

How it helps: The new layout makes it easier to customize and read.

- 1. Allows tracking of sales and expenses
- 2. You can notice improvements in indentation and alignments
- 3. It takes database accessible in QuickBooks and allows you to create customized reports

Improved! Attachments

Availability: The feature is available with QuickBooks for Mac 2015.

Functioning: The feature lets you add multiple attachments to a single email.

The ability to attach documents or images to transactions was made available in QuickBooks for Mac in 2013. What's new in QuickBooks 2015 is the ability to attach documents to Lists, in addition to Transactions. Documents like contracts and compensation agreements can be opened with a single click on "paperclip" icon.

The feature makes it easy to keep a record of files and documents for specific customers or business transactions.

Is it necessary to upgrade to new version each year?

Almost each year, Intuit releases a new version of QuickBooks. Sometimes, QuickBooks users are unable to decide if they should upgrade their QuickBooks version, every time a new update comes.

Since the upgrade comes at a cost and also causes some inconvenience, it's not necessary to upgrade every year. However, Intuit follows a strict policy to support only 3 generations of QuickBooks, so at a minimum one should upgrade every 3 years. Although it's not mandatory to upgrade, but there could be some applications that else might not work properly.

QuickBooks on Cloud Myths

Without a doubt, cloud is a buzz word, present all over the web, forums and newspapers. At times, the conversation starts to feel like telephone game played by kids and the message gets garbled. Lots of half-truths and mistruths are swirling around with regard to the place of cloud technology in enterprise.

While awareness among business people about accounting on cloud has grown gradually, the myths are still abounded and can lead to decisions that result in a completely new set of problems.

So, be informed and understand how cloud can impact your business. By making informed choices, cloud can offer value and flexibility to your business.

Need for Intuit Authorization and the Difference

Intuit launched its hosting program to commercial hosting companies in 2010, with few select providers were licensed. Today, there are more than a dozen Intuit Authorized Commercial Host companies. The program allows users to host their applications on remote servers rather than their own computer. This offers numerous benefits to the customers such as automatic backups, increased security through encryption, increased speed and more.

Along with the number of benefits, being Intuit Authorized also provides a peace of mind to users, that their data is safely stored in a remote location. Above all these, they can take advantage of free technical support offered by these commercial providers.



Intuit has certain set of strict standards that third-party commercial host companies must abide by. Each provider goes through an in-depth screening process to ensure that the provider is proficient to meet user's demands. The program enforces guidelines that are related to software installation and hosting of data.

The Intuit program assures that hosting companies are using industry standards with best practices. QuickBooks products those are compatible with Intuit Program are:

- 1. QuickBooks Pro
- 2. QuickBooks Premier
- 3. QuickBooks Enterprise solution
- 4. QuickBooks Point of Sale
- 5. QuickBooks Accountant Edition.

If you have a licensed version of QuickBooks not mentioned above, you will have to install on your own computer.

Benefits of the Program

- 1. An important benefit of authorized hosting for users is the ability to rent the access to QuickBooks and give a monthly payment instead of purchasing a license upfront.
- 2. The program offers hosting providers a legal way to host QuickBooks for clients.
- 3. There is an enhanced reliability with virtually zero downtime.

Program Constraint

The program requires hosting providers to limit their offerings only to the Intuit supported versions, implying that they can only offer currently shipping versions and the three recent year's products.

About Ace Cloud Hosting

Ace Cloud Hosting, powered by Real Time Cloud Services, LLC, has been providing hosting services for over 10 years. The company ranks amongst the most trusted providers of Application and QuickBooks hosting services.



The company has the experience to offer clients with

reliable services and secure platform for hosting their applications. As an Intuit Authorized Commercial Host for QuickBooks software, Ace Cloud Hosting is the leading QuickBooks hosting provider and is changing the way businesses operate by simplifying access to data and files all over the world. Accountants and CPAs are not restricted by distance and time. The cloud service provided by Ace Cloud Hosting is adaptable and scalable according to business requirements. It provides the ability to expand their business to work with clients from further away.

About the Author

Renuka Rana, Editor at Ace Cloud Hosting spends considerable part of her time in writing about technology including cloud computing. Qualified with over 5 years of experience, the author helps giving a voice to tech enthusiasts to put their interesting ideas into persuasive writing and has contributed to several articles, guest posts and whitepapers. When not writing, she loves to dig deeper into knowing the best and the latest technology in industry.

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