E-commerce demystified:
The challenges of
bookkeeping for e-commerce

Teresa Slack, ACS, FLMI, CPB

Take a minute to connect with your neighbour

#QBConnect | WiFi: QBConnect

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Today's speaker

Teresa Slack, CPB
CEO
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@financly

Agenda

1. How did Financly end up in the e-commerce niche

2. The challenges of e-commerce bookkeeping

3. Navigating the wide world of apps

4. Understanding your clients needs

5. Should I take on an e-com client

6. Costs to consider for your client

7. To connect or not to connect

8. Q & A

How did Financly end up in e-commerce?

A real need for help

Go to experts on Shopify

New e-commerce clients are finding us

Investigate apps

Helped them to improve their apps

Branched out into Amazon

Loving the journey

We are on a mission to make e-commerce bookkeeping easier for e-commerce sellers and the Accounting Professionals that love them!

22.5 Million

Canadians Shopped online in 2018

1.3 Million

E-Commerce stores in Canada and the US
And growing every day!

Why is E-commerce Bookkeeping so difficult?

1. Sales tax

2. Payment gateways

3. Inventory control

4. Getting sales data out

5. Navigating the apps

6. Understanding clients needs

Sales Tax

Sales tax is complicated!

Canadian rules:

- HST/GST
- The Fab 4!
  - BC – 7% PST (over $10,000)
  - SK – 6% PST (from $0)
  - MB – 8% PST (over $10,000)
  - QC – 9.975% PST (over $30,000)

US sales tax! Even more fun!

- What is nexus?
- Amazon Facilitator Tax
- What the heck is the June 21, 2018 Wayfair ruling?

Your clients don't understand sales tax!

Financly Tips:
- Always call our Fab 4 to see if you are exempt
- Hire a tax expert
- Use a tax app

Payment gateways

- So many gateways!

- They all handle payouts & fees differently.

- How do we get the data?

- How can we manage the bookkeeping?

Financly Tips:
- Get a log in
- Use an app to gather data
- Clearing accounts are your best friend

Inventory control

- Inventory is key to most sellers
- Every client has different inventory needs
- Each platform has different reporting available
- Client many need an inventory app
- We need a solid understanding of inventory control

Financly tips:
- Don't try to control inventory in your books unless a nice small seller
- Just manage Inventory Asset and COGS in your books

Getting the sales data

NOT designed with accounting in mind

Help! I need data!

Most important things to know about apps:

- All have Pros and Cons

- One size doesn't fit all

- Understand what the app does

- Documentation

- Mapping

- Test and test again!

Financly tips:
- Log ins are a must
- Learn the apps
- Create documentation
- Test, test & test

Navigating the wide world of apps

Oh so many apps…..How to decide….

The Bold Sync App for QBO - Pros

- Individual sales receipts and returns to QuickBooks Online (QBO) nightly

- Creates customers or set up 'Shopify Customer'

- Can choose to sync inventory or not

- Creates Shopify holding account

- Records payouts and fees

- Creates products in QBO

- Creates tax codes

The Bold Sync App for QBO - Cons

- Tax issues with BC taxes

- Inventory control not the best

- No multi-currency

- Tricky set up

- Rounding errors

- Sales tax authorities – Set up in QBO first

SaasAnt - Pros

- Completely customizable

- Handles multi-currency

- It is inexpensive at $9.99/mth USD

- Easily undo any files you have sent over

- Sends over individual transactions

- Adjust inventory quantities

SaasAnt - Cons

- Manual process

- Tweaking and mapping can take time

- Split out returns from sales and upload separately

- Manually update quantities in Shopify

- Large quantities of data in cloud bookkeeping apps

OneSaas - Pros

- Highly recommended on the Shopify site, very good review

- Will help manage inventory

- Handles multi-currency

- Has good mapping options, can customize the mapping

- When you purchase the top-level package, you do get onboarding support

ONESAAS

OneSaas - Cons

- No live support

- Price can be a barrier

- 0.01 cent errors on tax

- Product start dates

- One currency

- SKU's and names

- No bundling

- Individual transactions

A2X for Amazon – The birds started to sing!

- Creates summary journal entries
- Captures all the various types of amazon fees, the sales, returns, reserves, advertising costs etc.…
- No worries about your # of transactions
- Does inventory asset and COGS entry
- Perfectly matches the Amazon payouts
- Match, match and match!
- Go have tea

A2X for Shopify – The unicorns are prancing!

- Just released this year

- Creates summary journal entries by payment type

- Complete flexibility on how you map your entries

- No holding accounts needed for Shopify payments

- All other gateways need a holding account for clearing

- Does inventory asset and cost of goods sold entries

A2X - Pros

- Many years in business

- Live support

- No worries over the # of transactions

- Multiple Shopify stores/Amazon marketplaces connecting to 1 bookkeeping account

- Great on line chat support

- Keeps books clean and simple

- Handle sales tax

- Chose daily, weekly, monthly entries

- Beautifully matches up to deposits in your bank feed

- Handles multi-currency

A2X - Cons

- No detailed inventory information in your books

- Since the Shopify app is new some of the gateways may not have been set up in A2X, they are adding more all the time

- Gift cards right now go directly into sales but it would be nice if they could be mapped to a liability account, they are working on this

- For the Provinces with GST and PST, they cannot yet split out GST from PST (we have a great work around for this)

Erplain - Inventory

- Robust inventory control

- Game changer!

- Live sync for Shopify – Erplain – QBO

- Full inventory control and all sales, fees, payouts etc.

- Beta testing

- Individual transactions

Costs to consider for your E-commerce clients

- Cost of Shopify

- Cost of Amazon

- Cost of bookkeeping software

- Cost for a connector app

- Cost of shipping products

- Other Apps:

- Inventory

- Fulfillment

- Recurring payments

- Gift cards/promo apps

- Hiring an accounting professional

Should I run for the hills?

DIY Client

Multi-currency

Sales tax

Inventory

Multi-channel selling

Out of country selling

Understanding your clients needs

- Take time to understand your clients needs

- Ask lots of questions

- Cadillac vs VW Bug

- Sample questions to ask your client

To connect or not to connect!

That is the questions!

E-commerce is changing the way the world works. We need to change with it!

E-commerce bookkeeping can be complex! We strive to make it easier for e-commerce sellers and the accounting professionals that love them.

financly.ca

Questions?
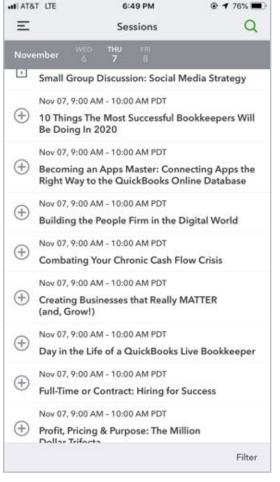
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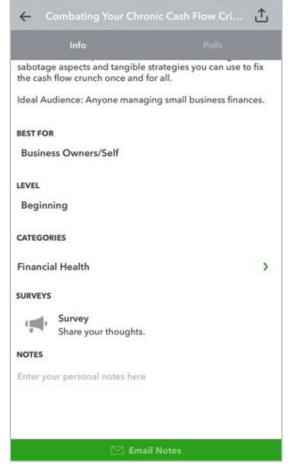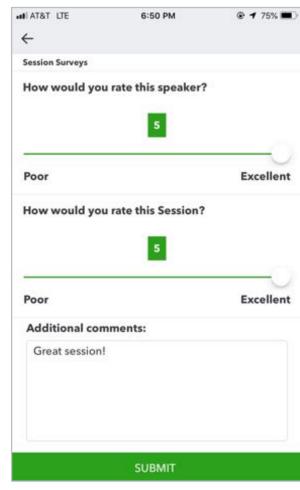

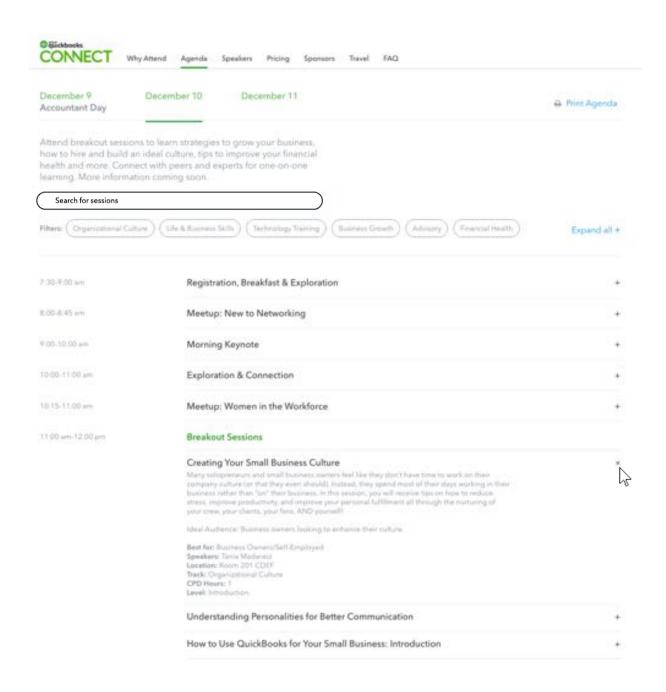### 2. Select **Session Title**

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