

# WHAT IS CLOUD ACCOUNTING SOFTWARE



Cloud accounting software is similar to traditional desktop accounting software, however the software is hosted on remote servers. You input data into "the cloud," where it is processed and returned to the user. All application functions are performed in the cloud, not on the user's desktop. In cloud computing, users access software applications remotely through the Internet or other network via a cloud application service provider.

Using cloud accounting software frees the business from having to install and maintain software on individual desktop computers. It also allows employees in other departments, remote or branch offices to access the same data and the same version of the software.

With cloud accounting, it's also easier to get real-time reporting and visibility throughout your business, with greater mobile capabilities and collaboration. Cloud accounting providers will often offer their package on a monthly or annual subscription basis which gives the user greater flexibility and freedom. Businesses that pay a cloud accounting subscription receive updates to the software as soon as they arrive, with no additional software purchases required.

## **The benefits of cloud accounting**

- cloud accounting is more flexible
- accounting data can be accessed from anywhere on any device with an Internet connection
- financial information is updated automatically
- financial reporting can be provided in real-time

In the desktop world, business growth will result in greater software license and maintenance costs as well as new licenses and fees for database, systems management and other software. The business might also have to make expensive capital purchases of new hardware, such as servers. With cloud solutions, businesses don't get stuck with permanent, expensive equipment and licenses when your business contracts are up and, likewise, there are no big spikes in costs when it expands a little.

Also, cloud accounting requires far less maintenance than its traditional counterpart. The cloud provider completes the backups, updates occur automatically and nothing needs to be downloaded or installed on a company computer.

Cloud accounting provides an equally secure (and sometimes even more secure) method of storing financial information than traditional accounting software. For instance, a company computer or laptop with critical financial information could be lost or stolen, which could lead to an information breach. Cloud accounting, however, leaves no trace of financial data on company computers, and access to that data in the cloud is encrypted and password protected.

Sharing data is also less worrisome. With cloud accounting, two people simply need access rights to the same system with their unique passwords. Traditional methods often require flash drives to transport data, which could be lost or stolen.

Lastly, cloud providers usually have backup servers in two or more locations. Should one server network go down, you still have access to your data. Information kept on a desktop could be destroyed or damaged in a fire or natural disaster and may never be recovered.

Companies that use cloud accounting require less initial server infrastructure to store data and IT services are not required to maintain it or update the cloud accounting system. Fewer overhead expenses and no new software purchases mean greater savings for businesses.

All you need is the internet ...