



DENTAL PRACTICE ACCOUNTING 101

BY SUSAN GUNN

Now that you are clinically ready to take on any dental case that may present itself in your new office, there's a whole other side to dentistry that you need to handle: being the business owner. Working out the details for all the loans, the bank account, the floor plan to your office, the various insurances and taxes — to think of it all makes your head swim — not to mention the total amount of your new practice loan!

What is the simplest, most effective way to organize your practice's financial information? That answer is twofold. For a professional practice, there are two sides to accounting: accounts receivable and accounts payable.

You have probably already obtained practice management software, which will track patient information, charting, treatment planning, insurance information, and payments. The patient payments you receive through your practice's software are called accounts receivable. That's one half of the accounting formula — tracking money coming in.

But what about tracking money going out? Writing checks to employees and vendors is the second half of accounting called accounts payable. But with all the accounting software available, which one do you use?

There are many well known accounting software programs on the shelf and ready to use: QuickBooks, Microsoft Small Business, and Peachtree® to name a few.

What makes QuickBooks stand out above the rest? It is very easy to use, which is why 90% of practices purchasing accounting software choose QuickBooks. QuickBooks uses language we commonly use, avoiding accountant-type lingo. The software makes it easy to create reports to understand our finances. When we understand our current finances, we make wiser financial decisions.

In today's market, those wise decisions are imperative. QuickBooks parent company, Intuit®, has provided a variety of accounting software internationally for a multitude of industries. For example, Quicken® is a personal finance accounting software and QuickBooks is a business accounting software. Quicken® does have a Home & Business version, but it is limited in its business style reports. The key word is "Home" and should not be confused with a software ready to be used in a professional practice.

QuickBooks uses a full chart of accounts, with assets, liabilities, and equity accounts, in addition to the income and expense accounts. Designed for businesses, QuickBooks displays the practice's tasks with visual icons and centers. No accounting knowledge is needed, requiring no need to understand debits and credits!

Payroll is another reason to use QuickBooks because it comes with payroll options that are easy to setup and use. In fact, there are payroll options exactly like other payroll services with one clear distinction — QuickBooks Assisted Payroll option is less expensive and easier to use. All the staff's payroll detail is within QuickBooks without any additional manual input needed.

So, how do you get started? You only need QuickBooks

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Susan Gunn has over 17 yrs. of business automation experience and has been a QuickBooks consultant for over 13 years. She has written 18 books for professional practices and has been an Advanced Certified QuickBooks Pro Advisor since Intuit® established the program. She is an Associate Member of the Academy of Dental

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