

Online Contractor Accountant and Accountancy Software Checklist

ContractorCalculator offers this free checklist to help you find an online contractor accountant service or accountancy software provider with the expertise your contracting business needs.

With an increasing number of online contractor accountants and software providers to choose from there are key issues to consider:

- Which one will best fulfil your bookkeeping and accountancy needs?
- What will you really end up paying?
- Will you also get expert service geared towards contracting?

There are many excellent service and software providers that offer exactly the right mix of online functionality, features and support that can help you maximise the success of your contracting/freelance business, allowing you to focus on what you do best, rather than on 'the books'.

ContractorCalculator's checklist will help you ask your prospective online contractor accountant or software provider all the right questions. It should help when researching providers online, and jog your memory when talking to providers by phone.

Online accountancy and accountancy software service providers who support this checklist include:



Berkshire
ACCOUNTING

Would you like to see **your logo here**, absolutely **free of charge**?

If you are an accountancy service provider and would like to support the use of this checklist in the contractor market, then please contact us – office@contractorcalculator.co.uk

About the accountancy/software services provider

Question	Answer
A specialist service provider for contractors/freelancers only?	Yes/No
If offering accountancy, does the service provider have PCG accreditation ?	Yes/No
What percentage of the service provider's clients are contractors/freelancers?	%
How many years has the service provider been supplying services to contractors/freelancers?	years
Is the online service/software provided optimised for mobile devices?	Yes/No

Joining the service – the process and what's included:

Sign-up process:

Question	Answer
Can contractors/freelancers try the service/software online before signing up?	Yes/No
Is it possible to sign up online?	Yes/No
If switching from another accountant, will the service provider update any outstanding accounts free-of-charge?	Yes/No

Contractor briefing:

Question	Answer	Included in standard fee?	If not included, additional fee?
Initial interview conducted to assess/confirm best trading option for the contractor/freelancer?	Yes/No	Yes/No	£
Contractor/freelancer is briefed on their duties and responsibilities of being a company director?	Yes/No	Yes/No	£
Contractor/freelancer is briefed about the IR35 legislation and its implications?	Yes/No	Yes/No	£
Will the service/software provider offer a walk-through of their service onscreen/by phone?	Yes/No	Yes/No	£

Once you have joined, how does it work?

Company Incorporation:

Question	Answer	Included in standard fee?	If not included, additional fee?
Company incorporation included?	Yes/No	Yes/No	£
Company name choice and/or off-the-shelf options included?	Yes/No	Yes/No	£
Certificate of incorporation/articles included?	Yes/No	Yes/No	£
Registering your company with HMRC for VAT, corporation tax and PAYE?	Yes/No	Yes/No	£

Ongoing online services provided

Managing accounts online:

Question	Answer
Does the service/software include a dashboard displaying all key financial information?	Yes/No
Will the service/software display how much cash a contractor/freelancer can withdraw as a dividend/salary net of tax?	Yes/No
Is the service/software able to use download bank statements for automatic bank reconciliation?	Yes/No
Does the service/software show unpaid invoices on the dashboard?	Yes/No
Does the service/software show outstanding bills to suppliers on the dashboard?	Yes/No
Does the software/service include a planner showing key tax and company dates?	Yes/No
If the answer to the above is 'yes', can the planner integrate with or be exported into calendar/organiser software such as Outlook or Google Calendar?	Yes/No
Does the service/software update in real-time following each transaction?	Yes/No
If the answer to the above is 'no', how often does the service/software update?	Overnight Weekly Monthly
How frequently are management accounts produced? (Management accounts would deliver the financial information required for, e.g. cashflow planning, a mortgage application, a business bank loan etc.)	In real time Overnight Weekly/less frequently

Managing clients, projects and invoicing:

Question	Answer
Does the service/software include a client address book, enabling contractors/freelancers to upload client details?	Yes/No
Can the software/service create proposals and estimates to send to clients?	Yes/No
Will the software/service create and send invoices directly to clients by email?	Yes/No
Is it possible to attach other documents to invoices, eg terms and conditions or bills of quantities?	Yes/No
Can invoice templates be customised to include a contractor/freelancer's company logo?	Yes/No
Is it possible to pre-load invoices to send at a later date?	Yes/No
Are invoice reminders sent automatically?	Yes/No
Can invoices in foreign languages/currencies be raised?	Yes/No
Does the service/software allow time and material costs to be tracked against projects, and show profitability?	Yes/No
Is the service/software able to automatically match client payments to outstanding invoices?	Yes/No

Managing expenses and bills from suppliers:

Question	Answer
Does the service/software include a client address book, enabling contractors/freelancers to upload supplier details?	Yes/No
Can the service/software scan receipts using smartphones/mobile devices?	Yes/No
Can receipts be scanned and emailed/printed and posted to the service/software provider?	Yes/No
If offering an accountancy service, will the service/software conduct compliance checks on expenses submitted?	Yes/No
Will the service/software allow for personal paid/out of pocket expenses, without the contractor/freelancer having to set themselves up as a supplier?	Yes/No
Is the service/software able to store scanned receipts online, in case of HMRC inspection?	Yes/No

Companies House and company accounts:

Question	Answer	Included in standard fee?	If not included, additional fee?
Company minute book maintained online?	Yes/No	Yes/No	£
Online submission of annual return to Companies House?	Yes/No	Yes/No	£
Board minutes automatically produced for declared dividends?	Yes/No	Yes/No	£
Online calculation of optimal salary and dividend?	Yes/No	Yes/No	£
Can the service/software include pension contributions in tax calculations?	Yes/No	Yes/No	£
Proactive dividend monitoring/warning, ensuring profits available are shown and avoiding directors' loans tax issues and illegal dividends are avoided?	Yes/No	Yes/No	£
Automated production of accounts to trial balance?	Yes/No	Yes/No	£
Automated production of annual accounts?	Real time Overnight Weekly Other	Yes/No	£
Submission of annual company accounts to Companies House online?	Yes/No	Yes/No	£

HMRC, tax and VAT:

Question	Answer	Included in standard fee?	If not included, additional fee?
Automated population of corporation tax return, and online filing after checking and approval?	Yes/No	Yes/No	£
Automated population of personal self assessment tax return, and online filing after checking and approval?	Yes/No	Yes/No	£
Are personal self assessments for partners or spouses that are part of the business included?	Yes/No	Yes/No	£
Automated population of VAT returns and filing online after checking and approval?	Yes/No	Yes/No	£
Facility for online set-up of direct debit for VAT payments?	Yes/No	Yes/No	£
Automated adjustment for VAT Flat Rate Scheme?	Yes/No	Yes/No	£
Automated population and online submission of P35 and P11D form each year?	Yes/No	Yes/No	£
Are any HMRC queries and correspondence included?	Yes/No	Yes/No	£
If providing an accountancy service, will the service provider support a contractor during HMRC VAT inspections?	Yes/No	Yes/No	£
If providing an accountancy service, will the service provider support a contractor during HMRC PAYE inspections?	Yes/No	Yes/No	£

Salary and Payroll:

Question	Answer	Included in standard fee?	If not included, additional fee?
Automated online payroll calculations included?	Yes/No	Yes/No	£
Automated online monthly payslips produced?	Yes/No	Yes/No	£
Intra-year PAYE adjustments processed?	Yes/No	Yes/No	£
Tax credits processed?	Yes/No	Yes/No	£
Annual P60 processed?	Yes/No	Yes/No	£
Are your spouse/partner and/or other employees catered for?	Yes/No	Yes/No	£
Are their self assessment tax returns also included?	Yes/No	Yes/No	£

IR35 Services:

Question	Answer	Included in standard fee?	If not included, additional fee?
Are IR35 contract reviews included?	Yes/No	Yes/No	£
Do IR35 contract reviews cover all contracts and extensions?	Yes/No	Yes/No	£
Is there automated online calculation of deemed salary for contracts caught by IR35?	Yes/No	Yes/No	£
Are there multiple calculations of contracts inside and outside IR35 during the year?	Yes/No	Yes/No	£

Security, registered office and document storage:

Question	Answer	Included in standard fee?	If not included, additional fee?
Does the service/software offer security and encryption guarantees?	Yes/No	Yes/No	£
Will contractor/freelancer data be stored outside of the UK/EU?	Yes/No	Yes/No	£
Does the service/software include a registered office address service?	Yes/No	Yes/No	£
Will relevant incoming mail to the registered office address (e.g. from Companies House and HMRC) be processed and uploaded to a contractor's/freelancer's account?	Yes/No	Yes/No	£
Is there an online document storage facility?	Yes/No	Yes/No	£
Will all documents captured electronically be stored for the legal minimum of seven years?	Yes/No	Yes/No	£
Is there a limit on the amount of data that can be stored?	Yes/No	Yes/No	£

Help and Support:

Question	Answer	Included in standard fee?	If not included, additional fee?
Does the service/software offer an online knowledge/advice centre?	Yes/No	Yes/No	£
Are telephone support calls included?	Yes/No	Yes/No	£
Are unlimited face-to-face meetings available and included?	Yes/No	Yes/No	£
Will you have a named account manager or a call centre contact?	Yes/No	Yes/No	£
If the service offers accountancy, is your account manager a fully qualified accountant?	Yes/No	Yes/No	£
Will the service provide references for mortgage applications, etc?	Yes/No	Yes/No	£

Now you've asked all the questions, how much does it all cost?

The fee structure

Question	Answer
What are the charges/fees, calculated annually?	£
Are the charges monthly/annual/bi-annual?	
What is the hourly rate for non-included items?	£

Ceasing to use service/software

Question	Answer
Are there penalties for changing to another service/software?	Yes/No
Is there a notice period to stop using the service/software?	Yes/No
Will the service/software provide you with an electronic copy of all your company's transactions?	Yes/No
If offering an accountancy service, will the service provider hand over records seamlessly to a contractor's/freelancers new accountancy service?	Yes/No
Will the accountant complete ALL outstanding processes on leaving?	Yes/No
Are there any additional costs associated with leaving the service/software?	Yes/No
Will the service charge for closing down the limited company? How much?	Yes/No £
Will the service charge for keeping a company in a dormant state? How much?	Yes/No £

About ContractorCalculator

ContractorCalculator is “Your Expert Guide to Contracting” website for UK contractors and freelancers. We have been online and independent since 1999, when we launched an online IR35 tax calculator to help contractors count the cost of the then newly released legislation.

Our ABC-audited audience of regular readers is made up of contractors, freelancers, interims and consultants from the IT, telecoms, engineering, oil, gas and energy, business, marketing and medical sectors.

We publish a comprehensive range of essential online financial, salary and tax calculators, a professional news service, expert commentary and analysis from industry and sector leaders, and more than 1,000 online articles and contractor guides suitable for beginners and veterans.

We have also published the definitive guide to contracting – [*The Contractors' Handbook: the expert guide for UK contractors and freelancers.*](#)

www.contractorcalculator.co.uk

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