



Why Does My Accountant Use A2X?

Wondering why your accountant is using (or wants to use) A2X for your books? Here's a look at what the leading ecommerce accounting software does for your business.

What's Challenging About Ecommerce Accounting?

Accurately accounting for ecommerce sales and fees can be niggly.



Depending on the sales channel you use, you and your accountant could be dealing with:

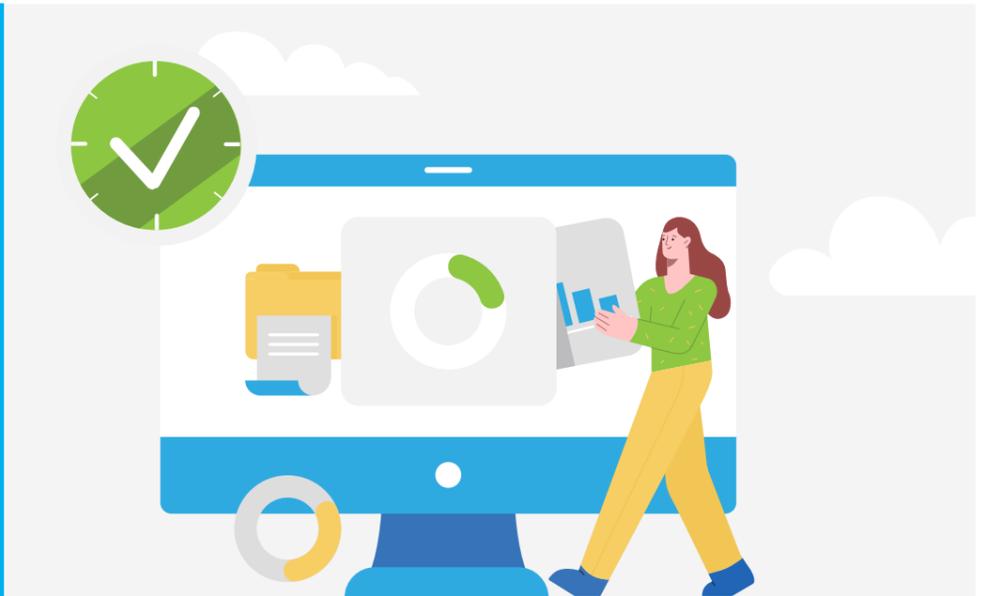
- Sales tax, GST, VAT and even income tax.
- Multiple currencies.
- Numerous types of fees with different variations.
- Settlements that span months.
- COGS with timing differences.
- High transaction volumes which may swamp accounting software.
- Multiple ecommerce selling channels.
- Multiple regions for each marketplace.
- Several payment gateways.
- Specific requirements of some platforms for certain software integrations (e.g. Shopify and Xero).
- Multiple reports to download and sort through.

Phew, that's a lot - and it's not everything.

Reconciliation can become a nightmare and take up all of your accountant's time to get right. By automating all of the above, they can make recommendations to you based on reliable, accurate numbers.

Why Are Accurate Financials Crucial?

Firstly, accurate accounting is important for compliance. You need to be calculating the right income and tax obligations for the different jurisdictions you operate in to meet legal requirements.



However, accurate books go further than just compliance.

As you'll no doubt be aware, ecommerce is extremely fast-paced and highly competitive. Accounting done right can give you a sharp eye over your business performance and the ability to make informed, quick decisions to survive and thrive.

Plus, if you ever want to sell your ecommerce business, you will need to show a breakdown of your business activity. All your income, expenses, assets, liabilities. The same goes if you are applying for a loan.

Let's take a look at why that is.

This table below highlights the differences between good data and almost good enough data.

Now, imagine you receive a deposit from Amazon (or Shopify, Walmart, eBay, or Etsy). That money counts as "income", right?

Well no, it's not quite that simple.

You are probably already aware that before the deposits hit your bank account, the ecommerce sales channels deduct or add multiple lines (you can see them below on the right).

You need to know what these are to have an accurate picture of how well your business is performing. What if you are spending too much on advertisements, or a SKU is not as profitable as you think? Take that right-hand column away and you're left with almost no information.

Whether it's for you, your accountant, potential buyers or a bank granting you a loan, this information needs to be accessible, detailed and accurate. It's the only way to understand how resilient and viable your business is.

Not only will A2X provide you an accurate breakdown of sales and fees by line item, A2X will identify the month these transactions occurred in. This means you can compare month to month and see just how well your business is performing. No more clearing accounts to try and balance your books.

See that second column on the right? That's what A2X gives you, automatically.

Amazon Activity On Cash Basis

Net deposit from Amazon	\$82,960
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VS.

Amazon Activity With Good Data

Balance brought forward	+\$15,000
Sales	\$135,537
Shipping income	+\$3,401
Sales tax collected	+\$5,987
FBA inventory reimbursements	+\$9,620
Amazon FBA fees	-\$37,327
Chargebacks/refunds	-\$1,836
Shipping fees	-\$1,480
Promo rebates	-\$942
Reserved balance (held back)	-\$45,000
Net deposit from Amazon	\$82,960

What is A2X and how does it work?

A2X is a software solution that automates best-practice ecommerce accounting by integrating with your accounting software and ecommerce platforms.



Trusted by thousands across the globe and with over a thousand **5-star reviews** to prove it, **A2X** was developed by expert engineers with experience in ecommerce and accounting.

Sitting between your sales platform and your accounting system, A2X pulls all your sales and fee transaction information, calculates every line item for your bank deposits and posts neat journal summaries to your accounting software.

Organizing your books via **the accrual method**, A2X ensures your accounts are reliable and useful for forecasting as well as reporting on your finances.

It's accurate ecommerce accounting without the fuss.

A2X downloads your transactional data and breaks down all the various transaction types such as sales, fees, refunds, gift cards, reserves, and taxes that make up each bank deposit.

When you set up A2X, you map all the accounts that A2X will use to organize the transactions, and these can be fetched over from your accounting software for ease and consistency.

Once A2X has calculated the line items for your bank deposits, it posts these in neat journal summaries to your accounting software. The journals are then matched with the deposits for you - allowing for quick and easy reconciliation.

A2X will also split statements that span months and organize books via **the accrual method** for better planning.

So why would your accountant use A2X?

A2X is the most cost-effective and accurate way to account for your ecommerce sales.

Manual accounting can be a time-consuming, error-prone process. Today, the accounting industry has transformed to alleviate these issues through cloud-accounting software. It's quick, reliable, consistent and accessible from anywhere - perfect for the typical ecommerce seller.

Plus, **ecommerce accounting is a little unique**. Unlike accounting for a brick-and-mortar store, ecommerce businesses may need accounts that track income and expenses for multiple sales channels, or clearing accounts to manage different types of payments.

So why do accountants like it too? Because it means your number-crunching is sorted and they can offer you something much more valuable. Their expertise and strategic advice.

Does using A2X mean you don't need an accountant?

A2X is a tool for accountants and ecommerce sellers to use, not a replacement.

Accountants are experts at what they do. Using A2X will ensure speed, efficiency and accuracy, but your accountant provides direction, expertise and strategic advice.

Can't Accountants Do All This Without A2X?

Yes, accountants could do this without A2X. But they can do so much more with it.

Because the technology exists to release them from easy-to-delegate tasks, they can shift from checking boxes for your business to helping you work smarter and grow faster.

Which do you think is worth more to your business in the long-term?

Accountants will save hours each month using A2X, which they can invest back into analyzing your numbers for bigger and better things.

FAQs

How many orders can A2X handle?

There is no limit to the number of orders that A2X can process for you, from 1 to 1,000,000+ a month. A2X will accurately, and reliably automate your ecommerce accounting in order to protect your accounting system from order overload.

Does A2X make any changes to my seller accounts?

No. A2X is read only and accesses specific reports needed from your ecommerce platform which are used for the reconciliation process.

Is my data secure?

Yes - A2X gives you data security technology you can trust. All financial data is stored in Google's secure cloud platform and is encrypted so that no one can access it without permission.

Learn more

To learn more about what A2X can do for you and your accountant, and for general ecommerce industry advice and guides, [check out our blog](#).