THE ULTIMATE GUIDE TO

HOW TO FIND THE RIGHT EXPENSE TRACKER

FOR PRIVATE USE AND SMALL BUSINESSES

Contents

Receipt Scan Checker

It has never been so important to know what you spend your money on.

> **"A simple fact that is hard to learn is That the time to save money is when you have some."**
>
> **(Joe Moor)**

This guide shall help you to do it right from the start, avoiding common pitfalls and having fun using your app.

Find your Expense Tracker

Are you in the middle of the month and your account is down to zero? Do you know how much are you spending every month and for what? Whether business (wo)man or private household, keeping track of your spending can save you money and keeps you out of debt. With the right app you gain control over your expenses and can start for the rainy days. And not to forget, you are prepared for your next tax audit in no-time.

Using an expense tracker software to track your spending has many advantages.

- Easy Tax audit preparation
- Save time on data entry
- Save money on your accountant
- Avoiding bad debt
- Following up on your monthly fixed and returning expenses

With an app, no matter whether for business or private, you will have records of your spending almost in real-time.

The times are over when you hid the receipt in a box and dropped them at your bookkeeper's office at the end of the year.

Expense tracker will show you in which category you spend most of your money. House, child, car and what else comes up, and it puts you in good picture to understand your purchase habits.

And there is another, a more indirect reason, these apps can help you saving money.

The next time your six-month old household appliance breaks down use the search function

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of your app and have the receipt on hand.
Never again searching for receipts.

TAX INVOICE

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Why we call it Expense Tracker?

In Play Store and App Store you will find plenty of expense tracker.

Here we start with the first definition. We have receipts scanner and expense tracker. What's the difference? Receipt scanner alone are Apps that take a picture of the receipt and that's it. Easy expense tracker on the other hand allow you to record the key data by typing in:

- when you spend your money
- where you spend it
- how much you spend
- how much you pay in tax to the government
- and the category you declare the expense under.

Honestly, those are outdated apps and what is the use having an expense without the receipt? No receipt no booking, old bookkeeper wisdom.

On the other hand, the picture alone has its value, when it comes to warranty claims and availability at the end of the year. But you are missing out on tracking your spending in real time. Therefore, let's go ahead and investigate the combination of both.

Expense tracker which scan your receipts. How cool is that?

The perfect app

You might think now: Great, lets download an app and all my problems are solved. I hate breaking the news to you, this kind of expense trackers might, maybe, perhaps come up in the far future.

That's the reason I write this guide for you. If you like to make your life easier, at least when it comes to your financial balance sheet, you should get the right app for you.

The perfect app would be free of cost, integrates with all kind of bookkeeping software, connects with your credit card and bank account, reads all data from invoices and receipts 100% correctly and compares your spending with your incomes. In addition to that it washes your clothes and makes your coffee in the morning. Correct that does not exist.

First, you should know what you want the app for? Private or business, no worries, some apps support both and you can switch back and forward between the accounts.

Apps for business use only

There are apps they are only for companies. Tally for instance is for companies with a sales force and field support, for people who are more traveling then having a table in a fancy office. Another good example is ReceiptBank, this software is for bookkeeper, the program extracts core data of the receipts in a highly sufficient way.

Things to consider

Let's start and find out which receipts are the ones that are worthwhile to set up a photo shooting.

Best source of information is in this case not google, it's your accountant:

First thing, which bookkeeping software are they using? It makes sense using an app that supports your auditor's system. That makes it easier to import the data and speeds up the process.

Secondly, which receipts are important for you? Privat and business be clear about it.

Why so picky? You could make pictures of all the receipt you get. Though that would be counterproductive because,

A) Your accountant will have a ball picking the right ones for you and bill you a fortune for it.

B) Depending on your app, you might be charged for the storage or data verification.

What the later means I will explain in the following.

Now we know the categories to look out for. Next are the approximate number of receipts. Looking back at the last years' shopping list and this year's requirements you can estimate the numbers of receipts you are going to collect each month.

With this number you can, if you like, calculate the time you will save entering the receipt key data into your books.

Time is money, all expense trackers help you to know your expenses, provide suitable data for your accountant and save you time in recording the data.

Okay, you know why you should have a receipts scanner, who to ask for help, how many receipts per month you might have and how much time you could spend on data entry. No worries the later, is easy to fix.

The Apps and the work process

The expense tracker we talk about have OCR (optical character recognition). Because only the ones with OCR save you time. Since, either you have the option to fill the corresponding box with the correct data by just touching the screen or the program does it for you. Later calls line-by-line extraction and will be explained in the following. Line-by-line recognition extracts key data like:

- Vendor
- Subtotal/Total/Tax
- Date
- Currency
- Category (sorry just a few offer that and it is mostly wrong)

Do you remember your conversation with your accountant? Which receipts you should keep? Everything costs money, and you want to spend money only on the things you need.

What do you need to pay for?

That varies from app to app:

- Storage place (hardly happens)
- OCR, no worries only two or three companies charge for that separately
- Line-by-Line data extraction
- Human data verification (HDV)
- How to import the receipts into the system?
- Do you need your receipts extracted right away or can you wait a few days?
- Cooperation access
- Integration to QuickBooks, quicken, …
- Linking credit cards and bank accounts
- Expense reports
- Mileage tracker

That are the main features mostly offered by expense tracker. The higher the plan, the more features you can use and the more receipts you can upload. Therefore, you should know the

problems you have that this app should solve for you.

The features and your benefits

OCR and Line-by-Line extraction

Receipt scanner recognizes the details of receipts and copy the data into a matrix. That means you have the digital data in an instance without entering anything yourself. Another advantage is, the receipts become searchable. That, of course, works only if the extracted data is correct.

And here we face the first problem. Whatever happens, check all receipts with the digital version. You will quickly realize why I mention it.

Receipts are usually structured like that:

- Vendor
- Bill date
- Sub amount
- Tax
- Total

Take three different receipts and you will see, that receipts are not as simple as that. They have handwritten notes on it. Subtotals are missing, and the date is at the feet of the receipt. Humans are creative, so receipt designs are as confusing as zebras. They are all black and with, the patterns are never the same. So, take my word, cross check the scans. With certainty you will correct the data and categories it. A word for the good, some of the apps learn. The more you use them the more accurate they become.

OCR and line by line extraction are quite good nowadays. Unfortunately, in contrary of the claims of a few developers, they are far from

perfect. There is a good reason why human data verification is offered by top companies.

How to extract core data from Receipts?

The scan quality goes hand in hand with the way you turn your receipt into a picture.

- Using your camera of your **smartphone** is most common today. This is certainly the best way since your receipt is fresh and virgin. If you have time, take a picture of your receipt at the restaurant. Enter the missing bits and done in max. 60 seconds. By the way, how often are you going out?
- Then we've got **scanners**. The common flatbed scanner will kill lots of time on a rainy Sunday afternoon. Or you bought a receipt scanner with feeder, that will cut down your scanning time a great deal. Advantages of scanners are, you have a higher dpi (dots per inch) and your software can work with a much better picture.

That will cut down your (human) data entry work to let's say 45 seconds per receipt. How many receipts have you got so far?

- Another option is the **envelop**. You stuff all your receipts into it and send it off. This is a good way to handle your receipts if you got plenty of them. Of course, you must wait 3 or 4 days until they are processed. Remember, never trust a Klingon, also this data needs your verification.
- **Digital invoices and receipts**. There are two different solution. Either your provider gives you an email address and you forward the invoices to this address. Or they allow you to drag and drop your pdfs or pictures into your account. The data will be processed immediately.

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Human Data Verification (HDV)

We talked about Line-by-line extraction in a previous chapter. Computers do what they are told to do. It takes a while for them to learn from your shopping routine, what are you favored shops and which category are they in. Therefore, human data verification is offered to get the most correct results for you. On the other hand, you need to wait for your data until someone had the time to look over it. That can take from a few minutes up to days. Good thing is, time you spend fixing the last issues becomes almost zero. To mention is that the work is carried out by humans like you and me. They see your receipts and enter them into your accounts. For me this fact is only important if you have something to hide.

Co-operate access

That is a great solution for people who like to have their accountant checking on their account now and then. Or it can be used for silent partners of the company to check on the current spending. And just to mentioned for RSC to verify your data.

Credit Card cross check

This is offered by many applications. Mostly those which do not have HDV. It support their data verification. Furthermore, it is a good tool to compare number of receipts available with the numbers of times you used your credit card.

Mileage tracking

To reimburse business trips by car or claim mileage for work on your tax return. This tool solves the problem forgetting reading your mileage status before and after the trip.

Receipt Scan Checker

Expense Reports

Are you traveling a lot, or your employees do so? Then you know that creating expense reports is always pushed off to the next tomorrow until you are back in the office. Problems you face:

A) half the receipts are lost or spoiled

B) invoices are not correct and need to be replaced

C) your customer shall be billed before yesterday.

Using expense reports costs can be easier assigned to a project and customers. Employees can send in their reports daily, weekly, monthly or as you wish. Customers can be billed more frequently that cuts down billables. Supervisor are able to reject reports and request re-submission anytime, anywhere. And to keep the spending low you can pre-define what to include in the reports and how much can be spend on it.

Let's put in a nutshell

Expense tracker are not just for shopaholics who need to have an eye on their spending on a day to day basis.

Be clear what expenses you should record to save money on your accountant and on your future app.

The apps are a must in business to bill your customers faster and to know your expenses.

Keep all your receipt in one place and have them at your fingertips. Use the search function and find receipts in an instant.

Reduce the time you need to feed your books. The expense tracker makes it easy to capture the information by giving you several ways to transform your receipts into data.

Expense trackers with human data verification are close to the 100% correctness.

All apps need your support to categories your expenses. That makes it easy to spot areas you can save money in.

You collect data evenly over the entire year. With permanent awareness of your spending you are in control of your bank account. Used in the right way this will help you saving money.

And, depending on the app, you are ready to export your records into your accountant's software with ease.

Should you need help with the data entry, RSC offers human data verification. So keep on shooting receipts, we help you out with the data entry.

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