

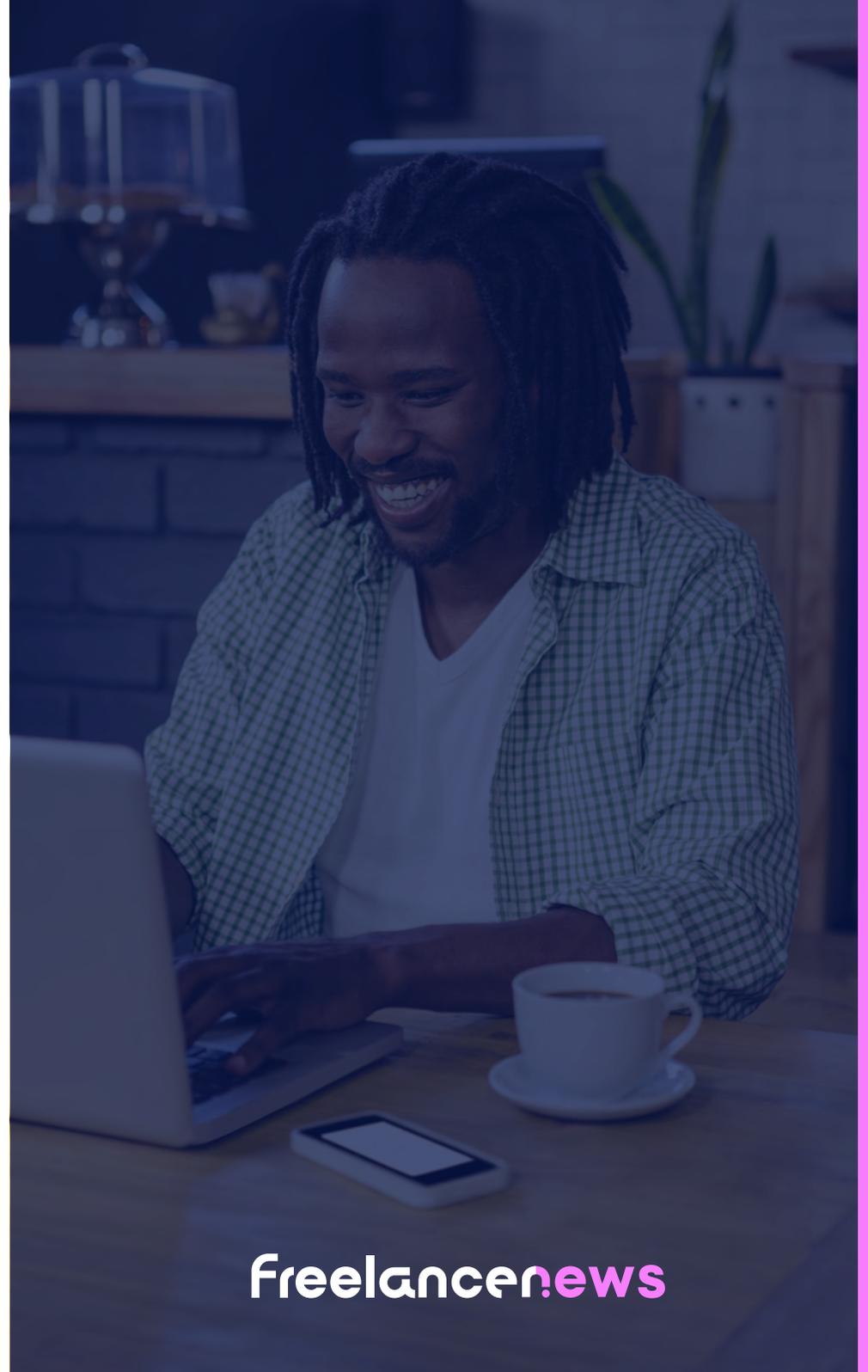
TIPS & ADVICE

BOOKKEEPING SOFTWARE

# Bookkeeping Software for Freelancers Guide

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# What is Bookkeeping Software?

To understand what bookkeeping software is, you need to understand *bookkeeping*.

Now bookkeeping is vital for any business, including freelance businesses. It's where you process all your business transactions – think paid invoices from clients, expenses, as well as anything else that comes in or goes out of your business.

*Bookkeeping software* is a digital tool that helps you record all this data. It can automate tasks freelancers simply don't have the time to do, like invoicing, tax filing and bank reconciliation, which helps reduce the risk of human error – which is common when you're running the whole show by yourself.

**Simple Bookkeeping  
With Pandle**



[Learn more](#)

# How Bookkeeping Automation Works

If you're new to bookkeeping software, it can be mind-boggling to understand how bookkeeping automation actually works, and whether you can trust it.

In a nutshell, bookkeeping automation uses software and technology to record and organise financial transactions automatically, instead of doing everything by hand.

You can connect it to your bank account, scan receipts (rather than lose them), and sort expenses using built-in rules. This means less typing and fewer mistakes.

Because everything updates automatically, your financial records stay accurate and up to date, making it easier to track money and stay compliant with financial rules.





# Do Freelancers Need Bookkeeping Software?

In most cases, yes. With the introduction of Making Tax Digital (MTD), digital record-keeping is mandatory for VAT-registered businesses and freelancers who meet the MTD IT threshold. While you could keep records in spreadsheets like Excel, you'd still need bridging software to submit tax returns to HMRC.

Using bookkeeping software makes managing your freelance finances much easier. The benefits include:

## **Better budgeting and business decisions**

Accurate records show the true financial health of your business. Even when income looks strong, costs such as office space or coworking can reduce profits. Bookkeeping software often includes reports like cash flow and profit and loss (P&L), helping you understand performance and plan spending.

## **Improves the chances of getting paid on time**

Late payments are common for freelancers. Many bookkeeping tools let you send invoices and automatic payment reminders, saving time and reducing the need to chase clients.

### **More accurate tax calculations**

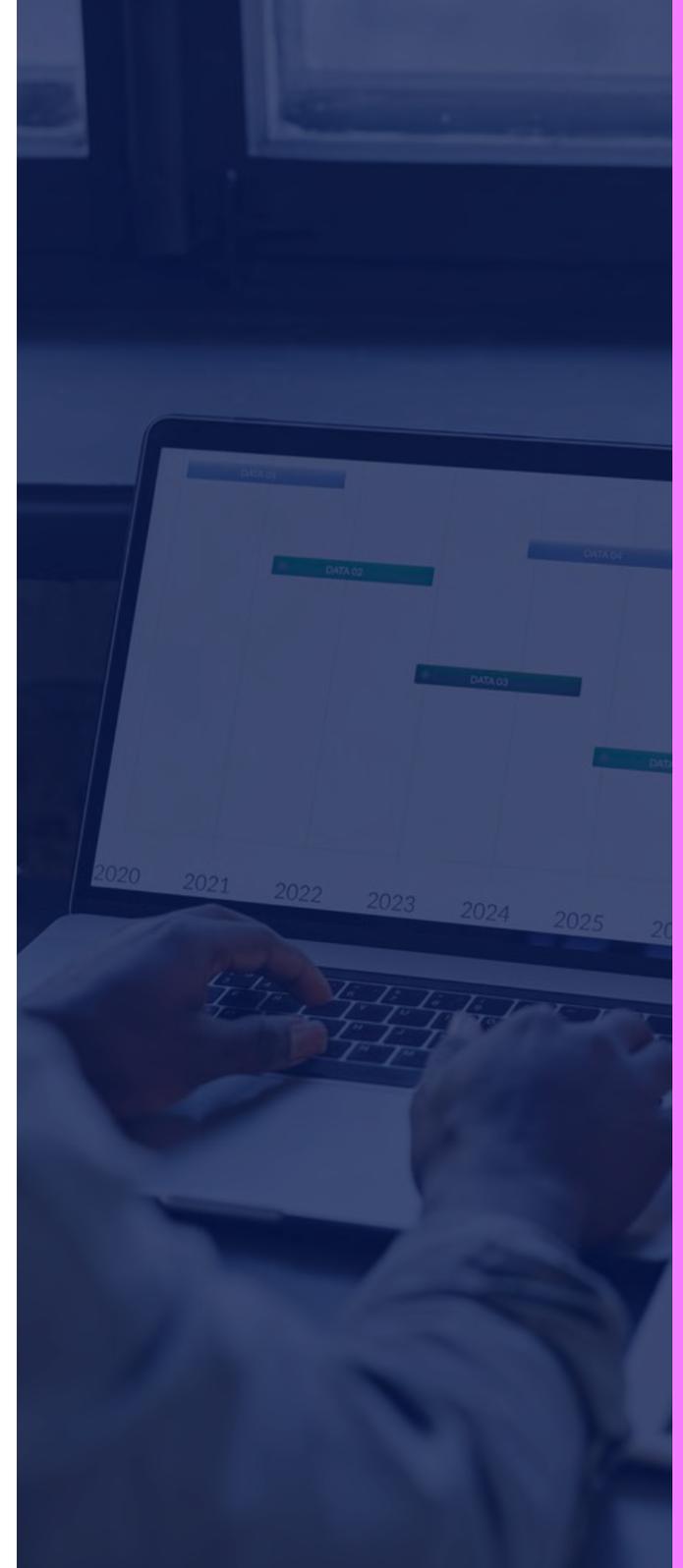
Good bookkeeping helps ensure you pay the correct amount of tax. Many apps connect to your bank account, reducing errors and keeping records up to date. You'll often also be able to see an estimate of your tax bill throughout the year.

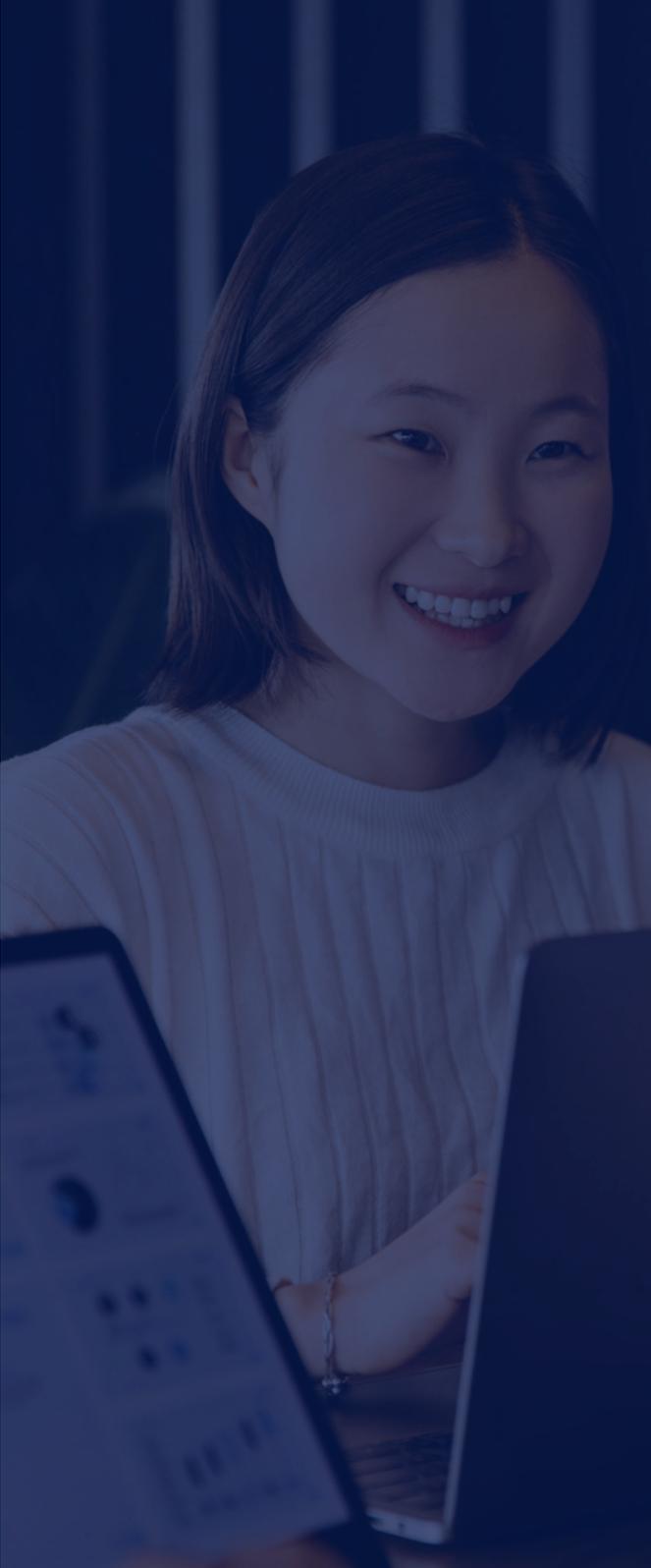
### **Helps you claim all allowable expenses**

Tracking expenses, receipts, and mileage ensures you claim the tax relief you're entitled to. Online software also lets you manage finances from anywhere, so you can keep things up to date.

### **Spot financial problems earlier**

Regularly reviewing your records helps you identify trends such as falling cash flow or rising costs, allowing you to adjust before issues become serious.





# Do Freelancers Need to Hire a Bookkeeper to Help?

No, you actually don't, but it could be a huge help - especially as most freelancers take care of it all themselves. Juggling everything could lead to bookkeeping mistakes, even when using software, which can cost you further down the line if you forget to claim an expense, or you get fined for inaccurate records.

Hiring a bookkeeper:

## **Frees up your time**

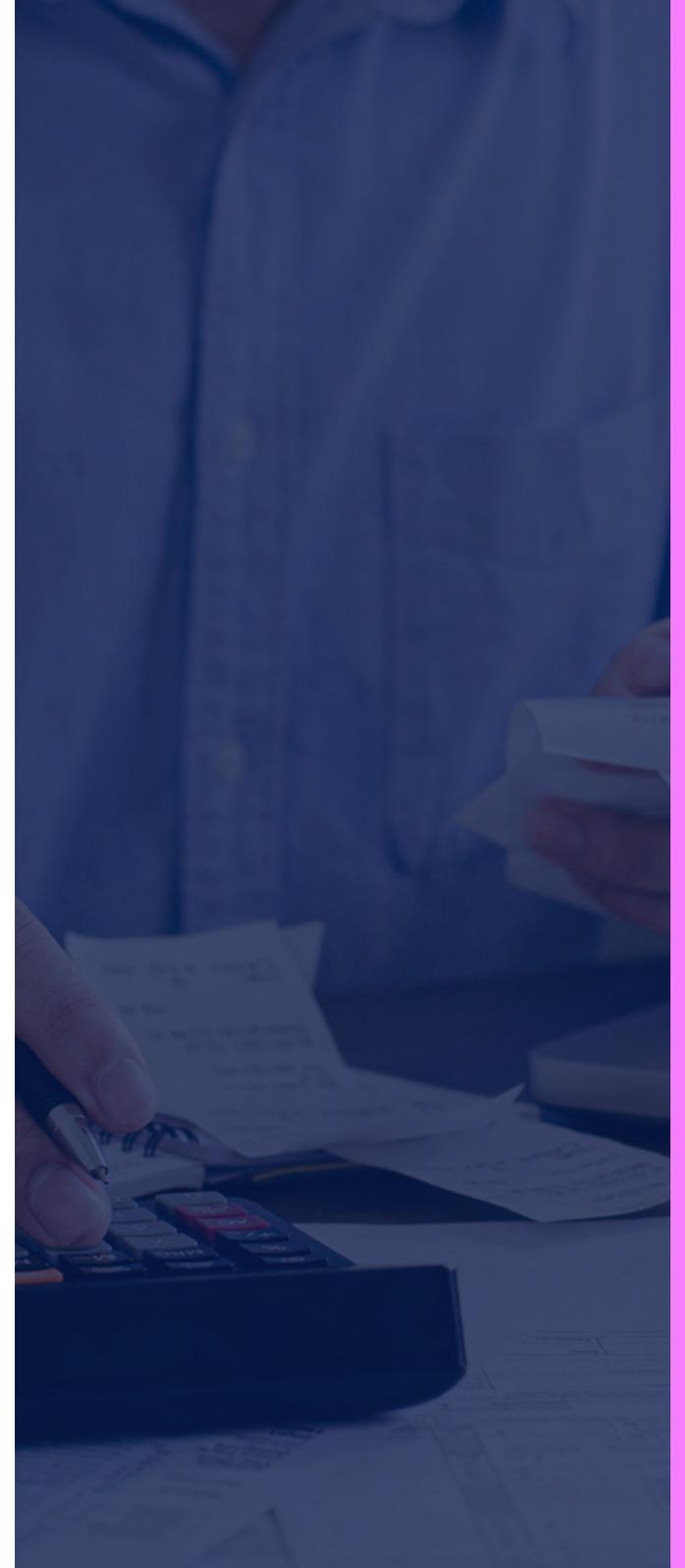
Outsourcing your accounts to a professional frees up valuable time so you can focus on running and growing your business. Instead of spending hours on bookkeeping, you can concentrate on working with clients, finding new opportunities, and expanding your freelance work.

## **Maximises tax efficiency**

A bookkeeper or accountant can help ensure you make the most of available tax benefits. They can identify allowable expenses and make sure you take advantage of tax reliefs and allowances, helping you reduce your overall tax burden.

## **Helps you plan for the future**

Having a professional manage your finances gives you clearer, more accurate financial insights. This allows you to make better-informed decisions and plan the future direction of your freelance business with confidence.



# How do I Choose the Right Bookkeeping Software?

To make sure you're reaping all of these benefits, the most important thing to do is [find bookkeeping software that works for you](#).

Do some research, read reviews and even take a few free trials to get a feel for the kinds of features and user interface you want.

If you do sign up for any free trials, don't forget to cancel the ones you don't want or else they'll end up being recorded in your accounts as an outgoing expense and wasting your hard-earned money.

**Easy Bookkeeping  
For Freelancers**



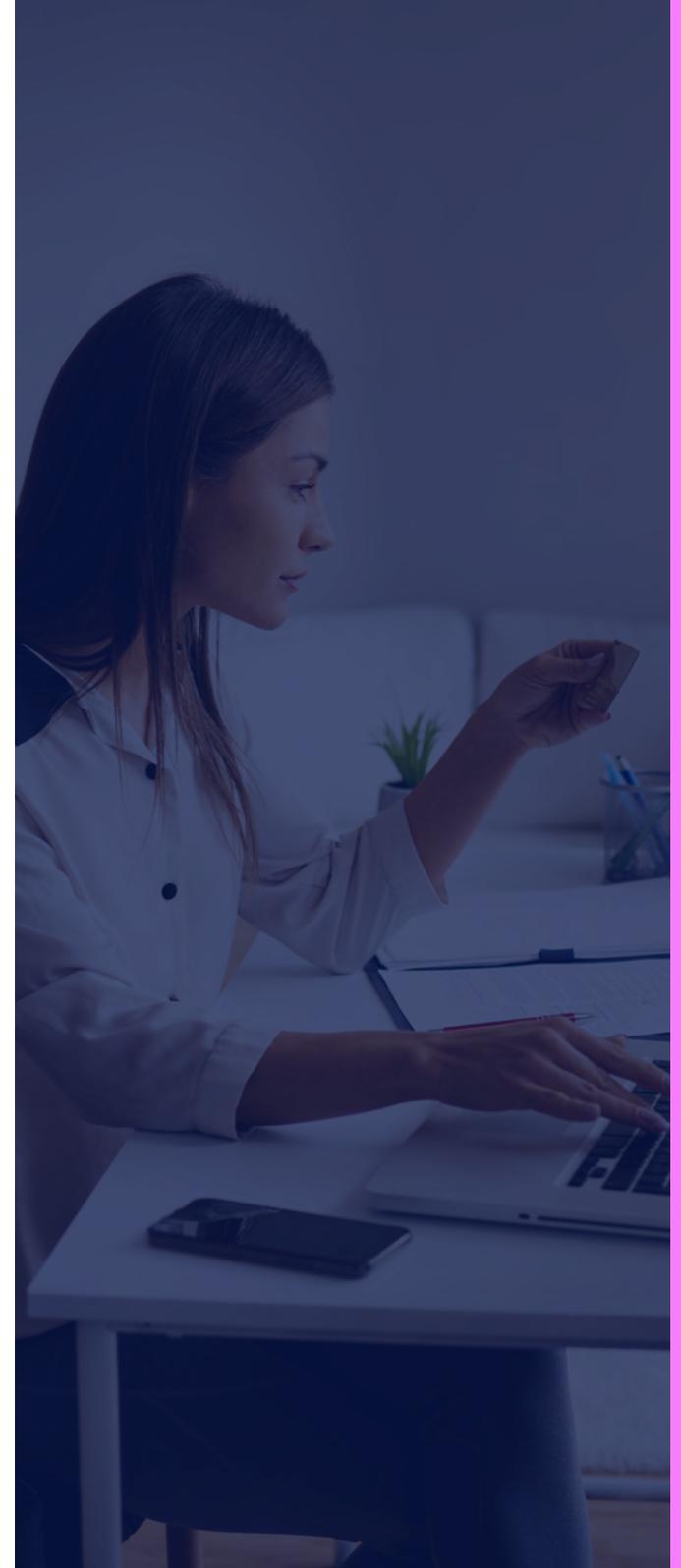
[Learn more](#)

# How Often Should I Review My Bookkeeping as a Freelancer?

How often you do your bookkeeping, if you're doing it yourself, is mostly down to personal preference and how busy your schedule is, although the general rule is to do it as often as possible!

Again, going back to bookkeeping software, automated tools and feeds will help you keep your records closer to real-time without having to do quite so much manual intervention.

The choice is yours but the more meticulous you are with your routine, the easier the whole bookkeeping and accounting process will be.



# Got a Question?

Need clarity on choosing a bookkeeping software? **Drop us a line** - your question could feature in the next edition of this guide.

Contact us