



Importance of Accounting Software for the Mining Industry

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Introduction

Accounting is defined as the systematic recording of financial transactions relating to any business. Moreover, it is considered as a process of analyzing, summarizing and reporting all the transactions to the tax collection agencies.

Accounting plays an integral role in the mining industry. It helps the management to discover the financial position of the business. These final reports allow owners to make data-driven decisions and devise an effective strategy for business growth.

Accounting is crucial for mining businesses because it helps in recording, classifying and summarizing the transactions. This enables you to design a well analyzed financial document such as trial balance, balance sheet and more.

Generally, accounting is referred to as a key factor in decision making, planning, and controlling processes. When your accounting books are accurate, you will have the right documents in hand to carry out the processes and prevent theft.

We understand accounting is a mundane task and to avoid IRS penalties and audits, you have to get this done. Also, you wouldn't know your business's financial health if your accounting process is in place. Your business decisions would be improper if accounting is ignored.

Role of Accounting in the Mining Industry

Undoubtedly, accounting is the most integral factor for mining owners as it helps your investors, managers, and other stakeholders to evaluate the financial performance of the business.

Accounting provides crucial information regarding profit and loss, cost and earnings, liabilities and assets for planning and controlling processes and decision making within a business. The primary goal of accounting is to record financial transactions in the books of accounts to identify, measure and communicate economic information.

• Planning Budget

Planning budget is the most integral factor in every business and mining is not an exception in this regard. It helps businesses to make effective strategies, save money and focus on expenses, exceeding the set budget. When it comes to planning a budget, you need to look into the previous records. Ensure that you have these documents in hand, since they are the basis of planning and making budgets.

• Banks and lenders

To expand your business or manage cash flow, you may prefer borrowing amounts from the financial institutions. This is why you need to have a proper accounting system in place so as to present various books of records that include assets and liabilities, profits recorded, taxes paid among others and more. After scrutinizing these documents, banks or lenders come to a decision.

• Maintaining Records

Every business owner needs to maintain records to run their business smoothly and efficiently. Accounting plays a big role in recording your transactions. All these records are collected, organized, and interpreted to make them communicative to the end users. Hence, it helps in making an economically strong decision which leads to the improved productivity of your mining business.

• Decision Making

As we already know, any economic decision made in any business is based on financial statements of the organization. And financial statements are a result of accounting. So as a miner you should know that without proper accounting, making sound decisions is impossible.

• Information to Investors

Typically, financial statements are used to represent your business to the stakeholders such as creditors, debtors, investors, customers, employees and government. Always remember, investors would never prefer investing in your organization if you lack financial records and accounts.

• Reporting Profits

Every business is working to make profits. Whether you own a small mining business or a large one, maintaining an accounting system is a must. Also, when you record transactions accurately, you can make appropriate decisions and boost business productivity.

• Managing and Monitoring Cash Flow

Keeping an eye on your cash flow requires proper accounting systems and staying ahead of your working capital and any other cash requirements within the business organization.



What are the Common Accounting Challenges?

Accounting is one of the challenging aspects of every business. It is highly dynamic in nature and mostly impacted by economic and social regulations. This is why managing your business finances and clients has become critical. Let's take a

1. Constantly changing accounting principles and taxation policies

Accounting, legal matters and taxation—are three key aspects that vary from country to country. This is why understanding these factors and their effects on a company's profitability plays a crucial role. Moreover, constant tax regulation changes and financial reporting requirements create further complications. Hence, you need to stay up-to-date with the changing regulations to survive in the market for a long run.

As we already know, there's no universally accepted reporting standard. It varies from IFRS, US GAAP to Ind-AS, SFRS to name a few. And changes in accounting principles can affect global businesses in a great way. As a mining business owner, you should know the top players in the industry who were affected by the convergence of accounting standards International Financial Reporting Standards (IFRS) and the US Generally Accepted Accounting Principles (GAAP).

- Accounting Executives – Presently, accounting professionals are required to learn the new internationally accepted standards to ensure the accuracy and consistency in accounting practices.
- Corporate Management – As the standards are streamlined now, corporate management will be able to increase capital at lower interest rates and risk.
- Stock Market – Fortunately, there will be an increase in global investment opportunities due to reduction in costs related to foreign exchanges.

2. New technology integration

New technologies such as AI, blockchain and mobile finance and accounting are evolving, amazing opportunities are awaiting for the accounting industry. Moreover, automation and improved analytics will not only change the way accountants perform their duties, but also how small and medium-sized mining firms can keep pace in the new markets. However, it is difficult at times to understand the real-world association like blockchain or get clients onboard with new technologies.



3. Expense tracking

Typically, expenses are the costs incurred to generate profits. These accounts can be hard to manage. These expenses include:

- Cost of goods sold
- Delivery expense
- Salary
- Rent expense
- Advertising expense
- Depreciation expense
- Bank service charge
- Repair and maintenance
- Supplies expense
- License fees and taxes
- Telecommunications expenses
- Training and development.

4. Handling the accounting process

One of the most difficult things to manage are the sustainability issues that will literally ensure long-term success to your mining business. However, resolving these issues becomes a challenge for managers. Because developing an understanding between sustainability management and financial performance is not a cakewalk.

When you view your accounts from a business profitability perspective, accounting for sustainability gives your mining organization an edge over competitors and improves your credibility in the market. In this way, your mining business can differentiate their service from others.

5. Financial Forecasts

In the present scenario, accurate financial forecasting has become challenging for mining owners. Mining business leaders are engaging in planning and re-examining forecasts for sales, expenses and cash. Moreover, they're also considering model cash flow, test and retest assumptions, burn rate and liquidity under different scenarios.

6. Human Resource Management

Staff turnover is quite high in the mining industry. It is crucial to maintain the entire recruitment and employment records of every employee as many will leave and then may return at a later date. This is again the biggest challenge for mining owners to manage their payroll and other stuff related to employees.

7. Cash Flow Management

Cash flow is one of the biggest challenges for mining organizations. Generating financial statements based on Generally Accepted Accounting Principles (GAAP) for external purposes and cash flow statements for internal usage is integral. The amount of incoming and outflowing cash directly impacts the organization's programs and policies as well as your decisions.



8. Project Management

Project accounting is popularly used in the mining industry to break down large products into manageable components. It is easier to configure these projects and comply with the standard Work Breakdown Structure (WBS) to facilitate actual to budget variance reporting based on the industry guidelines.

9. Purchase Workflow

Expenditure authorization has an added importance in the mining industry. This is because several expenditures are capital in nature and hence quite large. This demands the approval workflows be implemented to control the purchasing function.

10. Inventory Control

Inventory shrinkage rates are usually higher in the mining industry because most parts and tools are maintained in remote and vulnerable locations. This makes inventory control quite difficult for the owners.

How to Overcome These Accounting Solutions?

Today, advanced accounting software programs provide great options to create expense categories, track expenses and link them to set items on your tax forms. This is where ProjectPro comes into play. ProjectPro is a well-structured accounting software for mining businesses powered by Microsoft Dynamics Business Central.

With ProjectPro, stay assured that you never miss on your revenue goals. Be it vendor data, field information, or any other aspects, always stay informed of all the activities to avoid unwanted stress. Also, ProjectPro ensures a smooth workflow for mining contractors by helping them with:

- Creating customized requisitions as per your requirements.
- Allowing you to manage requisite purchases for departments.
- Alarming you at any requisitions made by departments or projects.
- Restricting requisition of projects that have available remaining funds.
- Managing a complete log of the approval process for each requisition for audit purposes.

Managing materials and resources is now easier with ProjectPro. We know that mining contractors are centered around experienced and quality labor. So we make sure that you never lose sight of your material resources and labor. With a job material planning feature on ProjectPro, tracking actual materials and resources essential for jobs has become seamless.

As a user of ProjectPro, you can manage what specific items that are needed on the job by “Required Dates”. The Job Material Planning feature can be run based on an individual job or throughout several jobs all active at the same time.

Inventory may also be consumed against jobs for items already maintained in your warehouse. This purchasing may also include retention accounting, which is another aspect managed by ProjectPro.

ProjectPro allows you to manage purchase entry types not only of G/L accounts and items but also resources. In this way, you will get automated suggested items to be purchased and also the opportunity to create purchase orders without any hassle.



Choosing ProjectPro can assure you the following benefits:

- **Quick insights into the project data**

As we know ProjectPro is powered by Microsoft Dynamics Business Central, you can use the power to process your data into useful information with a proper calculation of profit and loss.

- **Always keep an eye on project status**

ProjectPro gives you complete access to view activities, time data, and resources to your project managers and clients for timely completion of the tasks and achieving scheduled goals.

- **Accelerate your revenue**

Now make the most of your qualified resources on our software for mining contractors and take your project forward to increase client retention.

• Stay ahead of your counterparts

As we know ProjectPro is powered by Microsoft Dynamics Business Central, you can use the power to process your data into useful information with a proper calculation of profit and loss.

• Always keep an eye on project status

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• Accelerate your revenue

Now make the most of your qualified resources on our software for mining contractors and take your project forward to increase client retention.

• Stay ahead of your counterparts

From managing accounting, ERP to CRM, ProjectPro enables you to achieve success with great efficiency.

• Keep track of crucial documents

Be it invoices, bills or any other financial document, store everything on ProjectPro and access it from anywhere anytime.

• No labor shortage

With our integrated software for mining contractors, you can streamline your labor management needs by gaining full visibility to the job process efficiently.

• Lead your business confidently

With ProjectPro, get a simplified workflow management and a better approach to estimate development and revenue generation.

• Control your projects

Now accessing all project-related data and documents along with insights to plan business decisions help you improve customer relationships seamlessly.

• Real-time tracking

Gaining project insights with access to client and project data dashboards is now easy with ProjectPro. It provides mining business owners with improved data visibility.

• Leverage your management game

Say goodbye to spreadsheets! Now manage your contract data in one place. Get digital access to labor, material, and project progress data efficiently.

• Upgraded financial management

Be it estimates, job planning, job quotes, payroll or billings – everything made easy with ProjectPro. It is considered as one of the top accounting software for mining owners.

• Real-time project tracking

ProjectPro uses business intelligence to provide you with advanced features and keep track of jobs, resources, and tasks to help meet your productivity goals for mining contractors.

• Matchless resource planning

Managing several projects and people on the go is now easier with ProjectPro! Plan your next project with great control over safety and risks.

• Make the most with finances

If business expansion is your goal, ProjectPro enables you to take the next step by taking charge of finances and increasing your overall revenue.

Conclusion

In our opinion, one of the best accounting tips for mining businesses is to use financial statements to evaluate and monitor business performance. This is because so much is changing quickly, access to real-time analytics is the core aspect now. And in future, this will create the difference in building financial models that factor in the latest trends, current conditions and various other scenarios.

Unfortunately, the current market trends are throwing several challenges ahead of mining businesses. And at the same time, adapting to the latest technology has become the need of the hour- no problem is hard. If you keep calm, address accounting challenges smartly and evolve with the change, you can enjoy the sweet fruit of victory.

Keep in mind, challenges aren't hard - we just make them hard. Moreover, mining firms have numerous resources at their disposal nowadays.

Now that you're heading into 2022, know that new technologies are the new normal. Get rid of old challenges like long hours and constantly evolving tax laws by adopting new software like ProjectPro.

In our opinion, preparedness is crucial. If you know what you're up against before it becomes a problem, you can head start on responding when it occurs.

So if you're facing any accounting challenges and planning to switch cloud-based accounting, ProjectPro is the right choice.

This smart platform has the ability to meet all your expectations and deliver better results. ProjectPro helps businesses to streamline processes with better insights into the overall project costs, resource requirements & allocation. In this way, as a mining business owner, you get timely and accurate information.

With integrated data, smart transaction processing, and strong analytical and reporting capabilities, you can reduce the time, money and effort it takes to access crucial information to make viable business decisions.

Schedule a demo and take a guided tour with our expert assistance into the platform. Run your business with great efficiency and achieve success!

About ProjectPro

ProjectPro is a division of Netsmartz LLC global group of companies. ProjectPro is specifically designed for construction firms and powered by Microsoft Dynamics 365 Business Central to make sure you get the most out of your business software.

Stand out of the league by streamlining your business processes, controlling costs, and offering timely and accurate information. ProjectPro holds the potential to integrate your crucial job quoting, project accounting, resource management for labor and equipment, and much more all in a single database.

With integrated data, intelligent transaction processing, and robust analytical and reporting capabilities, you can reduce the time and effort it takes to access meaningful information necessary to make good business decisions.

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