1. Bookkeeping Basics for Small Business Owners - Choosing A Bookkeeping System - YouTube

<https://www.youtube.com/watch?v=qpTLwdJijQg>

Transcript:

step four is to choose a bookkeeping system your options are to do it manually using something like excel or just paper or use an accounting software if you do it in excel you can use something like our free income statement template for a simple bookkeeping setup all you have to do is enter each transaction as it happens if your bookkeeping needs are straightforward this is the easiest cheapest way to go you can download this excel template by clicking the link in the description below if you choose to use accounting software

there are a few options for small businesses such as quickbooks xero or wave you'll pay a monthly fee for the software which you can use to produce simple financial reports keep in mind though you may need to have an accountant's help to learn how to properly use the software step 5 is to categorize your transactions categories are essentially classifications for your transactions to understand what you're spending on these types of categories can help you understand what your tax deductions are not all transactions are equally

tax-deductible so you'll want to know what you're spending on office supplies versus what you're spending on meals for example if you buy a box of pens for the office you'll categorize it as office supplies at the end of the year you'll be able to see the total amount you spent on office supplies and you'll be able to deduct that cost on your taxes