1. 8 Bookkeeping Tips To Simplify Small Business Finances - YouTube

<https://www.youtube.com/watch?v=rrSOKWI9k7Q>

Transcript:

small business bookkeeping is a necessary task but if it's not your favorite activity you're not alone admiring your profits is always fun but going over ledgers and calculators maybe not as much if you want to crunch the numbers a bit faster so you can get back to the more exciting parts of your business we have a few bookkeeping tips to help you simplify and speed up the process make bookkeeping part of your routine diy bookkeeping is simplest when you break it into manageable chunks don't try to do it all at once as much

fun as last minute panic fueled bookkeeping cram sessions can be right before tax time you can do your future self a favor by taking care of your routine bookkeeping tasks every week start by learning the basics of bookkeeping get in the know with your how-to guide to bookkeeping basics for small business owners we've linked it in the description below then block out an hour on your calendar every week for bookkeeping during the hour you can work through a checklist of routine tasks these tasks include the following check

on invoices and record payments review and pay expenses and invoices balance the business checking account categorize expenses and incoming payments record and file all receipts and documents and compile and review your financial statements when you finish your checklist you should be up to date with your current records a bit of work every week will ensure you to have clean books all year best of all it doesn't feel like you're working when it's part of your small business bookkeeping routine separate personal and business finances

keep your finances separated when your business income mixes with your personal accounts it doesn't make more money it just makes more of a mess muddled accounts require extra time and energy to sort through so skip the confusion and keep it simple by maintaining separate bank accounts one for your personal expenses and the other for your business if you've never set up a business account before getting started is easy first find a bank that offers the best fit for your business's needs even if you already have a relationship

with the bank it doesn't hurt to consider other options your priorities may vary but consider looking for an account that offers no or minimal bank fees once you've chosen your bank you can set up a new account quickly and easily your business bank account will allow you to set up a debit card for any online payments or purchases most importantly all of your business transactions whether online through debit cards or via checks will be reflected in the same account which will simplify the reconciliation

process separating your accounts does not mean that your business doesn't pay you of course you can withdraw a regular salary from your business or if you're the sole proprietor pay yourself using the draw method these withdrawals also known as an owner's draw are easy to track and document in your bookkeeping whether you pay yourself officially by draw or salary those transfers should be recorded in your business account statements when you've separated your accounts bookkeeping is as simple as linking your

business account to your accounting software when you check your single account during your weekly bookkeeping session it should be a breeze to categorize the purchases and record the payments no parsing or fine-tooth combing required document everything let's just get this out of the way the irs can audit you for up to six years that means clean records are critical storing those records for at least six years is also important but ultimately maintaining a reliable accounting for debits and credits is what lets you sleep peacefully every

night form a habit of documenting everything save receipts jot down notes about purchases and expenses and throw them into that file document every single cash purchase issue your own receipts for all purchases develop a storage system and naming protocol for invoices for seats and records it might even be time to invest in a receipt scanner app if you're wondering which expenses to keep track of remember document and store information on every transaction involving money time or goods record and categorize your

documents every week during your weekly bookkeeping session quick regular audits of your documentation and transactions will ensure that you'll never have a stressful night's sleep well at least as far as your books are concerned monitor accounts receivable monitoring your accounts receivable is the easiest most enjoyable of small business bookkeeping tips counting your money is always fun make a point of monitoring your accounts to be sure that all of your invoices are being paid especially if your work comes before the

client's payment it's easy to get distracted and to forget invoices from previous clients when you're busy starting the next project your weekly accounts receivable tasks should include sending invoices clearing paid invoices recording and tracking payments noting cash payments to ensure a clear document trail following up on any unpaid invoices keep track of cash payments cash may be king but it needs a bit of extra attention when it comes to do-it-yourself bookkeeping you don't ever want to lose

track of your cash and unlike checks or online payments cash doesn't come with handy documentation that means there's no paper trail until you create one thankfully once you have a simple system in place documenting your cash flow is easy there are two ways to handle cash payments with the first you'll create a receipt with every cash payment you receive use a receipt book that makes immediate duplicate records so you can write a quick receipt for a customer and keep the record for yourself if you don't carry a receipt

book with you everywhere you go you can easily rely on technology keep track of your cash using cloud software that links through multiple devices like your phone or laptop this way your cash tracking document or app is always readily accessible you can use your streamlined online system to know how much cash is exchanged and why when you make a cash payment ask for your receipt to support your record keeping when you update your transactions later routinely cross check receipts and cash flow during your weekly bookkeeping session to keep your

cash systems polished and up-to-date consistently review financial reports when you're updating your numbers every week you can pull reliable financial documents at any time straightforward accounting software allows you to view your income statement and balance sheet at the click of a button want to know how you're doing this year this quarter today find out immediately when accurate financial reports are so readily available it only makes sense to check them routinely in order to take the temperature of your business

consider adding this to the final tasks on your weekly bookkeeping check-in after you've entered your transactions and double check your documentation run a quick report share with others who like to see how much money you're making and then get back to work few things are quite as motivating as weekly income statements get automated nothing simplifies your life like automation unless you're dying to break out adding machines and slide rules feel free to take advantage of the many bookkeeping apps and softwares on the

market with the right combination of banking and accounting apps you can skip most of the straight data entry required for bookkeeping once you find the right software for your needs your bookkeeping tasks shrink substantially instead of entering every transaction you're simply double checking them if you're interested in learning more check out the bench guide on how to automate your small business linked in the description below let someone else handle it you know what's even better than using software to automate your bookkeeping

letting a professional bookkeeper handle it your business requires your full attention and sometimes your best choice is the easiest one outsource the tasks that you don't have time for so you can focus on the work that really matters to you a professional bookkeeper won't be overwhelmed by the nuts and bolts of diy bookkeeping and their help allows you to focus on making money and not documenting it if you're not sure if you need to bring in an expert's help yet check out the bench blog for a sign you need to hire a

professional bookkeeper we've linked it in the description below when you sign up with bench you'll get an easy to use platform and direct access to your in-house small business bookkeeping team the return on investment with a dedicated bookkeeper may surprise you plus when it's time to file your taxes you can take comfort in knowing that your finances and documents are 100 correct and ready to be handed off to your accountant simplify automate and ultimately delegate your bookkeeping you'll get the time and energy back for

your tasks that only you can handle after all isn't this why you started your business be sure to check out the bench blog for more small business resources and bookkeeping tips have a helpful tip we missed let us know in the comments below best of luck on your business and happy bookkeeping and hey if you like this video subscribe for more