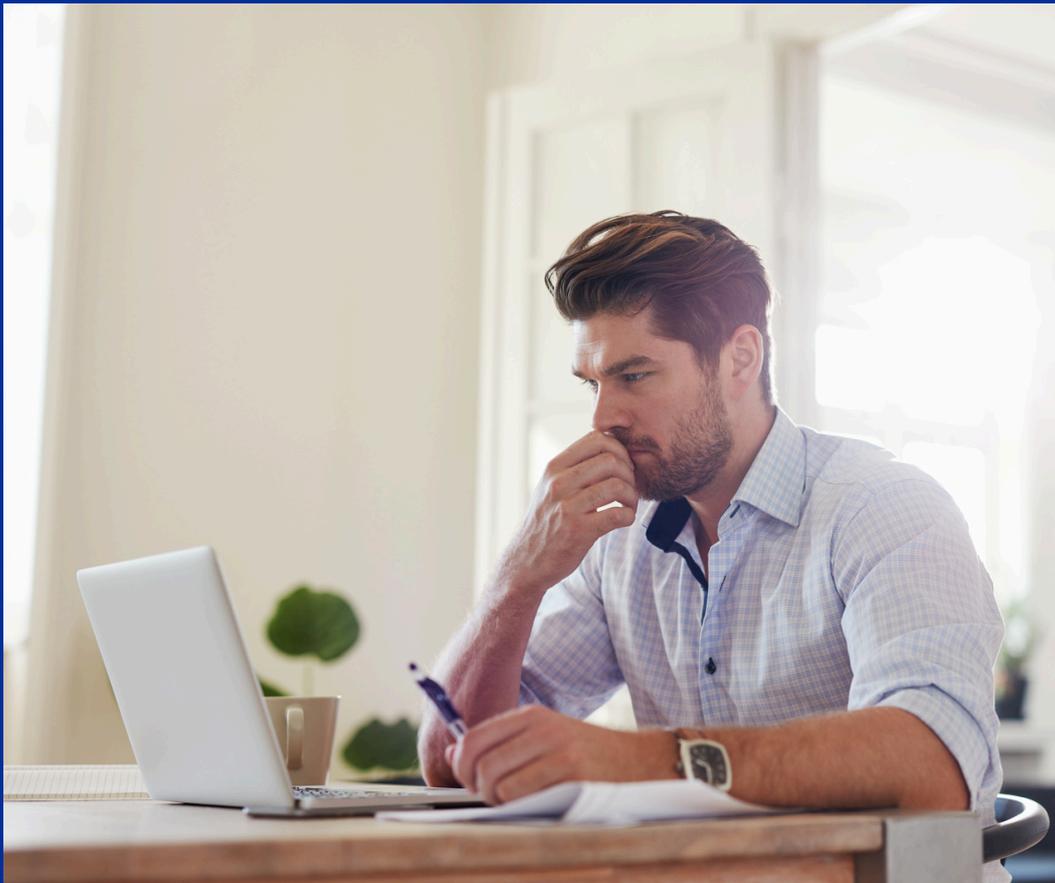


— 10 ESSENTIAL — BOOKKEEPING TIPS

Every Business Owner
Should Know



Avoid Costly Tax Penalties
with These Tips!

STEPH WYNNE

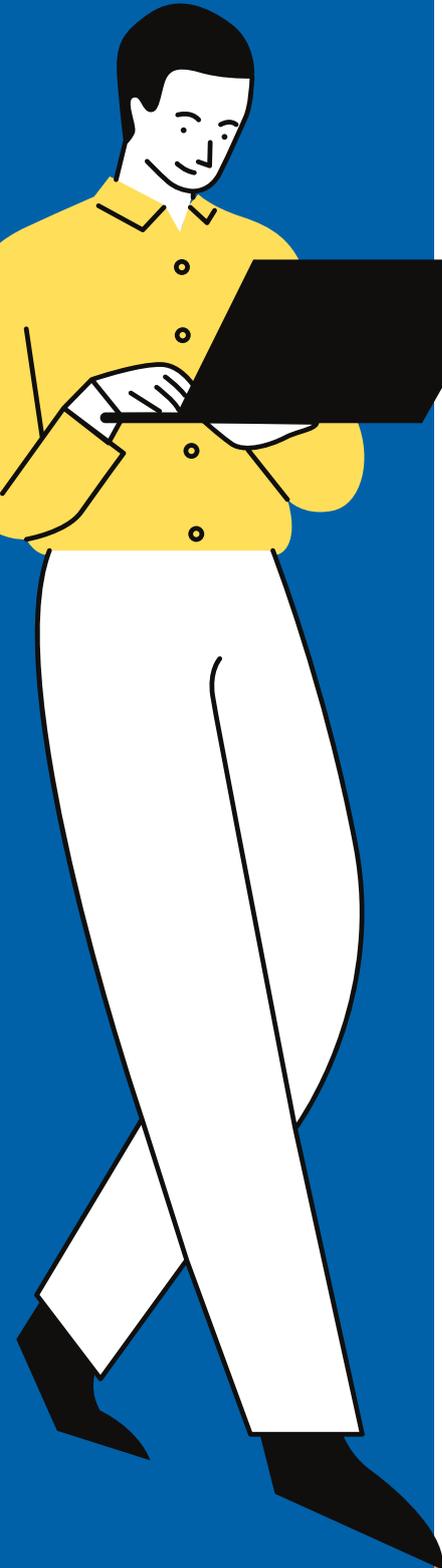


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Welcome Message

Hey there, small business owner! Keeping track of your money can be tough, especially if numbers aren't your thing. But don't worry – this guide is here to help you understand bookkeeping in a way that's easy and makes sense. You'll learn about different types of bookkeepers and how good bookkeeping can save you money and stress.



Steph Wynne
Bookkeeping Coach

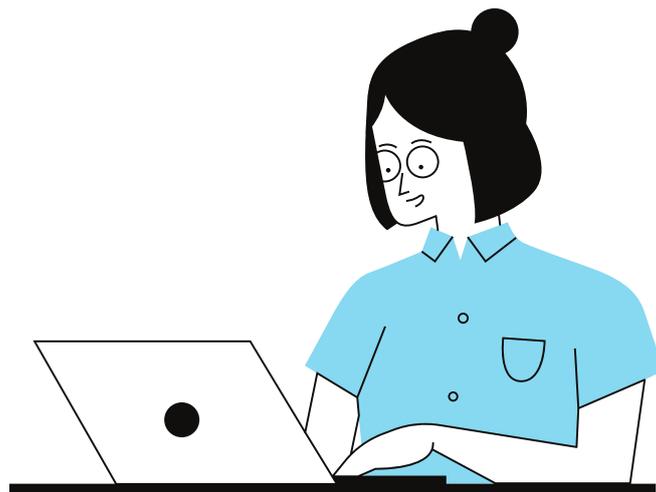
What is Bookkeeping?

04

- Bookkeeping is just a fancy word for keeping track of your money – what comes in and what goes out. It's like balancing your checkbook but for your business. Good bookkeeping helps you know exactly where your money is going and keeps you on good terms with the taxman.

- **Tips:**

- **Set Up a System:** Use a simple system to track income (money you make) and expenses (money you spend). This could be a notebook, spreadsheet, or bookkeeping software.
- **Stay Consistent:** Make time each week to update your records. This keeps things from piling up and becoming overwhelming.
- **Keep Receipts:** Always save your receipts and invoices over \$500. Mainly because most of your transactions are on your bank statement and that's what the IRS will look for first.



The Four Types of Bookkeepers

- **The DIY Bookkeeper**
- **The Part-Time Bookkeeper**
- **The Full-Time Bookkeeper**
- **The Outsourced Bookkeeper**

Let's face it—bookkeeping can seem like a tedious, necessary evil. But trust me, understanding who can help you with this task is essential for the success of your business.

So, let's dive into the four types of bookkeepers you might encounter and figure out which one is the best fit for you.



THE DIY Bookkeeper

06



Ah, the do-it-yourself bookkeeper. This is you, the hands-on entrepreneur who wants to keep a close eye on every penny. You've got a knack for numbers and a willingness to dive into the details. Armed with spreadsheets or basic accounting software, you track income, expenses, and try to make sense of it all.

PROS:

Cost-Effective: No need to pay anyone else; you're saving money.

Control: You have direct control over all financial records and can monitor everything closely.

CONS:

Time-Consuming: Bookkeeping eats into your valuable time that could be spent on growing your business.

Risk of Errors: Without professional training, you might miss critical details or make mistakes that could cost you in the long run.

TIP: DIY bookkeeping is great for startups on a tight budget, but as your business grows, the complexity increases. You might find yourself overwhelmed, and the risk of costly mistakes rises.



The Part-Time Bookkeeper

07

Next up, we have the part-time bookkeeper. This could be a trusted employee or a freelancer who handles your books on the side. They're there when you need them, but they're not around full-time.

PROS:

Affordable: More affordable than hiring a full-time professional.

Flexibility: You can hire them as needed, which is great for businesses with fluctuating needs.

CONS:

Limited Availability: They might not be available during critical times or emergencies.

Less Accountability: Since they're part-time, they might not be as invested in your business as a full-time employee.

TIP: A part-time bookkeeper is a good middle-ground solution. It's a step up from DIY but still cost-effective. However, be prepared for occasional gaps in availability and ensure you have a backup plan.



The Full-Time Bookkeeper

08



Now, we're getting serious. The full-time bookkeeper is a dedicated in-house professional who handles all your bookkeeping needs. They're on top of your financial records, ensuring everything is accurate and up-to-date.

PROS:

Dedicated Attention:

They're focused solely on your business, providing consistency and reliability.

In-Depth Knowledge:

They get to know your business inside and out, offering insights and proactive financial management.

CONS:

Higher Cost: A full-time salary can be a significant expense for small businesses.

Dependency: Your business becomes heavily reliant on one person's expertise.

TIP: If your business has grown to the point where financial management is a daily necessity, a full-time bookkeeper is a worthy investment. They'll help you stay organized and compliant, giving you peace of mind.

The Outsourced Bookkeeper

09

Finally, we have the outsourced bookkeeper. This is an external expert or firm you hire to manage your bookkeeping. They bring specialized knowledge and can offer a range of services from basic bookkeeping to business taxes.

PROS:

Expertise: You get access to professionals with extensive experience and knowledge.

Scalability: Services can be scaled according to your business needs, offering flexibility as you grow.

CONS:

Less Control: You might feel less in control of your financial records.

Cost: Can be more expensive than part-time options, though often less than a full-time bookkeeper.

TIP: Outsourcing your bookkeeping is an excellent option if you need professional expertise without the overhead of a full-time employee. It's especially beneficial for businesses looking to scale and needing advanced financial services.



Which Bookkeeper is right for you?

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Choosing the right type of bookkeeper depends on your business's size, complexity, and budget. Here's a quick recap to help you decide:

DIY Bookkeeper: Best for startups and very small businesses with tight budgets and manageable financial complexity.

Part-Time Bookkeeper: Ideal for small businesses needing occasional help without committing to a full-time salary.

Full-Time Bookkeeper: Perfect for growing businesses with complex financial needs requiring daily attention.

Outsourced Bookkeeper (remote): Great for businesses seeking expert help and scalability without the cost of a full-time employee.

The Bottom Line

Bookkeeping is a crucial part of running a successful business. It's not glamorous, but it's necessary evil. Understanding the different types of bookkeepers can help you make an informed decision that suits your business's needs and ensures your financial records are in tip-top shape.

Remember, the right bookkeeper can save you time, reduce stress, and help you achieve financial success. So, choose wisely and take control of your business's financial future!



Why Good Bookkeeping is Important



1. Save Money on Taxes

- **How?:** Good records ensure you don't miss any tax deductions and avoid penalties.

TIPS:

- **Categorize Expenses:** Properly categorize expenses to maximize deductions.
- **Hire a Tax Professional:** A tax pro can help you find more ways to save.
- **Keep Deadlines:** Always file your taxes on time to avoid penalties.

2. Better Financial Control

- **How?:** You'll know exactly where your money is going, making it easier to plan and grow your business.

TIPS:

- **Understand Cash Flow:** Learn the basics of cash flow management.
- **Budgeting:** Create a simple budget and stick to it.
- **Forecasting:** Use past financial data to predict future trends.

3. Less Stress

- **How?:** No more fear of audits or worrying about missing money. You'll always have clear, accurate records.

TIPS:

- **Regular Audits:** Perform regular internal audits to catch issues early.
- **Backup Data:** Keep digital backups of your financial records.
- **Organize Documents:** Keep your financial documents well-organized in one place.

Busting Bookkeeping Myths

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Myth #1: "I'll Get Audited by the IRS"

Reality: Audits are rare. Good records make them less stressful if they do happen.

TIPS:

- **Stay Honest:** Always report your income and expenses accurately.
- **Document Everything:** Keep clear records and documentation for all transactions.
- **Seek Help:** If you are unsure, consult a tax professional.

Myth #2: "Someone Will Steal My Money"

Reality: Proper tracking and checks make it hard for anyone to steal from you.

TIPS:

- **Separate Accounts:** Keep business and personal accounts separate.
- **Set Controls:** Implement controls like dual authorization for expenses.
- **Monitor Regularly:** Regularly review bank statements and financial reports.

Myth #3: "Bookkeeping is Too Hard"

Reality: With the right help and tools, it's totally manageable. It's just like keeping your home budget but for your business.

TIPS:

- **Get Educated:** Take a basic bookkeeping course if needed.
- **Use Tools:** Leverage bookkeeping software to simplify tasks.
- **Ask for Help:** Don't hesitate to hire a bookkeeper or consult an expert.



How to Find a Good Bookkeeper

Looking for a reliable bookkeeper can feel like a big job, but here are some simple steps to help you find the right person.

TIPS:

Ask for Referrals

- **Talk to Other Business Owners:** Ask fellow small business owners if they can recommend a good bookkeeper.
- **Consult Your Accountant:**** They often have contacts in the bookkeeping field.

Check Credentials:

- **Verify Qualifications:** Ensure the bookkeeper has the necessary training and certification (like being a Certified Public Bookkeeper).
- **Check Experience:** Look for someone with experience in your industry.

Conduct Interviews:

- **Ask Relevant Questions:** Inquire about their bookkeeping methods, software they use, and how they handle potential challenges.
- **Test Their Knowledge:** Ask about their understanding of tax deductions and financial management tips relevant to your business.

Look for Compatibility:

- **Communication Skills:** Choose someone who communicates clearly and effectively.
- **Trust and Reliability:** Ensure they have a good track record for trustworthiness and reliability.

Consider Technology:

- **Tech-Savvy Bookkeepers:** Those familiar with the latest bookkeeping software can offer more efficient services.
- **Look for Automation Skills:** A bookkeeper who can automate processes will save you time and money.

Thank You!

Bookkeeping doesn't have to be confusing or scary. By understanding the types of bookkeepers, the benefits of good bookkeeping, and knowing what's true and what's not, you can take control of your business's money and make it work for you.



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