

8 WAYS GOOD BOOKKEEPING CAN SAVE YOUR BUSINESS

Goska Bryan
BOOKKEEPING

PREPARED BY:
Goska Bryan

ABOUT GOSKA BRYAN BOOKKEEPING

I OFFER BOOKKEEPING SERVICES TO HELP BUSINESS OWNERS TRACK AND MANAGE THEIR FINANCES, SO THEY DON'T PAY MORE THAN THEY NEED TO IN TAXES AND CAN FOCUS ON WHAT THEY DO BEST. GOOD BOOKKEEPING IS SO IMPORTANT, IT COULD BE THE KEY DIFFERENCE BETWEEN A BUSINESS THAT'S THRIVING AND ONE THAT'S BARELY SURVIVING.

Vision

Through excellent bookkeeping, I empower business owners to make wise and proactive business decisions that increase their success.

Values

- Dedication - When you choose my services, I see myself as your business partner.
- Dependability - You can trust that my work will be excellent and done on time.
- Accuracy - I offer services without errors.



STATISTICS

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82%

82% of small businesses fail because of cash flow problems, according to the Business Insider. Cash is the heart of every business, and paying attention to trends is necessary for business survival.

40%

40% of small business owners incur penalties because of payroll errors, according to a recent study.

43%

43% of cyber attacks target small businesses. A bookkeeping professional keeps up with the latest technology and can make recommendations about the best practices to help you prevent cyber attacks.



DIFFICULTIES

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Many small businesses are not prepared to survive even one costly mistake. But, how can this be when a CPA states that the business is profitable? What is missing?

Good Bookkeeping. It can save your business.

THREAT #1 - CO-MINGLING BUSINESS AND PERSONAL FINANCES

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CO-MINGLING FUNDS OPENS UP YOUR BUSINESS TO SIGNIFICANT THREATS:

- Expenses are not reported, resulting in paying higher taxes, and who wants to give extra money to Uncle Sam?
- Not being able to predict expenses for the future because they're not in the business records or budget.
- Opens the door for the IRS to expand the scope of their audit. (This one can be the scariest and the most time consuming!)

Good Bookkeeping Protects Businesses By:

- Showing you how to keep your business and personal finances separate.
- Using appropriate processes and forms for expense reimbursements.
- Reconciling & reviewing documents: a process to find missing transactions.





THREAT #2 - NOT VALUING THE IMPORTANCE OF INTERNAL CONTROLS

EMPLOYEES SHOULD HAVE SEPARATE DUTIES TO PREVENT THREATS, SUCH AS EMBEZZLEMENT

- Employees who are paying bills and printing checks shouldn't reconcile bank statements.
- Employees who are creating refunds should not be reconciling payment processor statements.
- Employees who are taking payments should not be validating AR reporting.
- Employees who are collecting cash should not be reconciling cash drawers at the end of the day.

Good Bookkeeping Protects Businesses By:

Having your bookkeeping done by an independent contractor provides this separation in duties and increases security when the bank and payment processor accounts are reconciled monthly.

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THREAT#3 - NOT VERIFYING THE VALIDITY OF YOUR DATA

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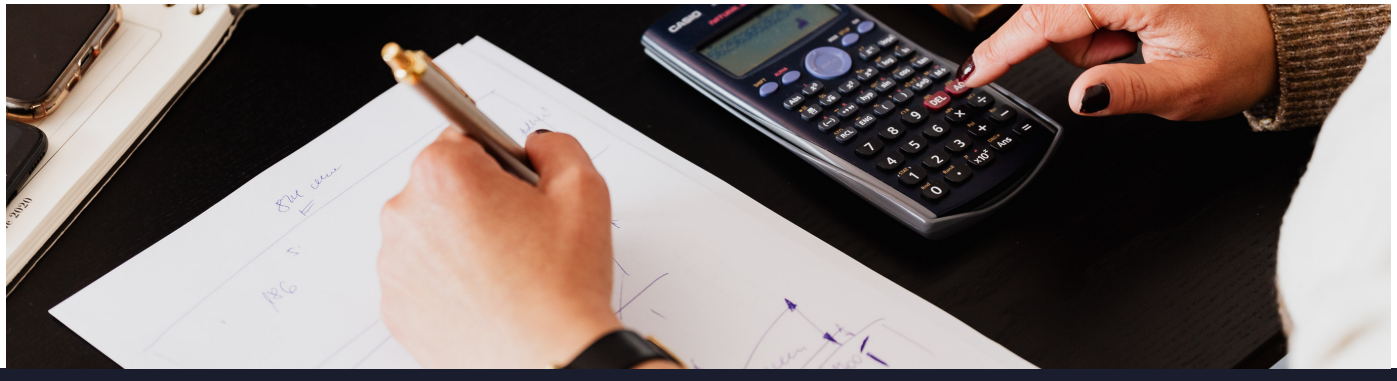
ARE YOU VERIFYING THE VALIDITY OF YOUR REPORTING?

Not understanding how reporting is done properly can create the threat of overstating or understating income on financial statements. Overstating your income will cause a business to pay taxes on income that was not received! So the IRS wins again! Understating income creates a significant threat of underpaying business and income taxes and potential penalties and interest charges by the regulatory entities. This can be further compounded when accounting systems are not being used to their full potential.

Good Bookkeeping Protects Businesses By:

Properly checking the validity of reporting. Each financial and point of sale system uses its own parameters in how the reporting is set up. It is essential to understand how the reports are generated and what information is included. Additionally, reporting should be verified against other documentation in the accounting system. A good bookkeeper knows how to verify the validity of data and how to get accurate figures.

I know of an instance where a businessman was reporting income taxes based on an incorrect report. The reporting he used didn't include significant insurance write-offs. By the time I was involved, income taxes were already filed, and the income was off by $25,000. He paid $7,500 extra in taxes on income he did not earn nor receive.



THREAT #4 - NOT MANAGING CASH FLOW EFFECTIVELY, ESPECIALLY WHEN SCALING YOUR BUSINESS

NOT UNDERSTANDING HOW THE CASH FLOWS THROUGH THE BUSINESS OPENS UP THE THREAT OF NOT MEETING FINANCIAL OBLIGATIONS AND COULD LEAD TO BUSINESS FAILURE

Good cash flow processes involves:

- Quantifying many aspects of the business
- Planning for taxes
- Planning for big expenses
- Understanding the break-even point
- Managing receivables
- Extending Payables
- Auditing inventory
- Keeping extra cash in reserves

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Good Bookkeeping Protects Businesses By:

Knowing how cash flows through the business is the main activity of a good bookkeeper. A good bookkeeper can help identify where the stress points are and how to implement solutions. A good bookkeeper can help you understand the important indicators every business owner must pay attention to in order to improve their cash flow. Good budgeting and reporting will allow you to quickly pivot and adjust to the constantly changing business environment. Knowing the break-even point includes planning for taxes and large asset acquisitions.





THREAT #5 - NOT PAYING ATTENTION TO REGULATORY REQUIREMENTS

BUSINESSES IN THE U.S. ARE HEAVILY REGULATED AND SPEND SIGNIFICANT RESOURCES TO ENSURE THEY ARE COMPLIANT. NOT FULLY FOLLOWING REGULATIONS OPENS BUSINESSES UP TO SIGNIFICANT PENALTIES AND INTEREST CHARGES.

Even relatively simple regulation, such as filing 1099 forms can be confusing.

- Employee or Independent Contractor?
- If the person is an independent contractor, you'll need to request W9 to determine if they need to receive tax forms.
- Landlords & attorneys also receive these tax forms, even though they are not independent contractors.
- But only if you paid them from your checking account, ACH, Check, or VENMO.
- Not providing these forms to vendors & not filing them with the IRS by January 31st of each year carries penalties.
- And the penalties are not deductible on your taxes.

Good Bookkeeping Protects Businesses By:

Bookkeepers are experts in their field. Because they work with many clients, they continuously speak about financial regulations, which keeps the information fresh in their minds. Additionally, many independent bookkeepers belong to professional organizations where they are connected to others in the field, sharing ideas about the best processes, interpretations of the laws, and solutions to regulatory requirements.

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THREAT #6 - NOT PLANNING FOR TAXES

THEY SAY THERE ARE TWO THINGS WE CAN COUNT ON: DEATH AND TAXES

There are real tax strategies that allow a business to save significantly on taxes. Not all tax preparers and not even all CPAs have the same knowledge. There are tricks to taking a full advantage of tax savings, and a lot of it depends on timing, calculating and forecasting, so planning is essential.

Good Bookkeepers Protects Businesses By:

A professional bookkeeper knows what to pay attention to and when it's time to involve a CPA who is savvy in tax planning.

Some of the questions to ask:

- Which business entity type is most advantageous to my situation and when to make a change?
- When should a sole-proprietor or an LLC member incorporate?
- When should an owner become an employee of the business?
- How do 401k plan and health insurance come into play?
- What about purchases of large assets?



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THREAT #7 - NOT USING CLOUD-BASED ACCOUNTING SYSTEM

DESKTOP ACCOUNTING SYSTEMS ARE QUICKLY BECOMING OBSOLETE, AS PROVIDERS ARE SUSPENDING THEIR TECHNICAL SUPPORT. BUT, USING EXCEL TO KEEP TRACK OF FINANCIAL INFORMATION CAN BE DEVASTATING FOR A BUSINESS.

Good Bookkeeping Protects Businesses By:

Professional bookkeepers know the most robust and easiest cloud based accounting systems and which ones can be tailor-made for your business.

Cloud-based systems offer:

- The latest in cyber security.
- The flexibility of accepting payments.
- Access to your accounting system on mobile phones.
- The ability to work virtually. Employees can even log-in from home to update their time sheets and log-in to payroll systems.

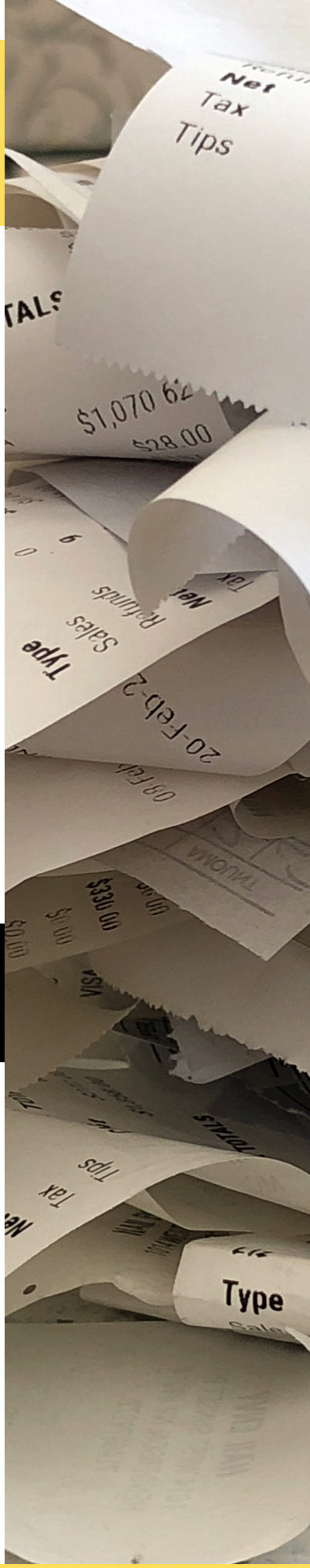
THREAT #8 - NOT MANAGING YOUR RECEIPTS

NOT RETAINING PROPER DOCUMENTATION CAN EXPOSE A BUSINESS TO THE REAL THREAT OF THE IRS DISQUALIFYING LEGITIMATE BUSINESS EXPENSES.

Keeping track of receipts in the modern world can be overwhelming. They come through in a variety of forms: paper, email and even texts. In addition, not all receipts are acceptable.

A good receipt must contain:

- Date of purchase
- Name of the vendor
- The amount paid
- Description of what was purchased
- Credit card or bank statements are no longer sufficient evidence.



Good Bookkeeping Protects Businesses By:

Understanding which receipts are acceptable and what information they should contain is essential. Even more helpful, good bookkeepers know which software is the most robust in receipt management, so the documentation is easily located when auditors or business owners & managers need them. I recommend accounting systems that allow you to attach receipts directly to the transactions in the system.

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Hello Business Owners: I'd Like to Help You!

Many business owners make the mistake of thinking bookkeeping is easy and that they can do it themselves.

They spend hours doing bookkeeping instead of focusing on what they do best. They are stressed because they don't have clarity about the financial health of their business. They report the wrong income or expense figures because they don't know how to verify their reporting which results in paying taxes on income they didn't earn and didn't receive.

Then they are frustrated because they don't have enough time with their families. It's just not a fun way to run a business. In fact, it's soul-destroying.

How do I know? I've seen my clients make many of the mistakes I talk about in this document.

I know a man who paid $7,500 extra in taxes because he didn't check the validity of his reporting. I know an entrepreneur who stubbornly didn't incorporate as part of a tax strategy & lost thousands of dollars in tax savings. I've seen businesses come close to folding because they lost sight of their AR.

How I can help your business?

I invite you to schedule a quick, 15-minute chat with me for FREE. We'll discuss your business and how I can help you.

Grab a spot in my online calendar here:

https://calendly.com/goskabryan/15-minute-chat

Or you can talk with me on the phone by calling or texting 707-758-9521.

Call today because you don't want to lose money and time, or put your business at risk!

Warmly,
Goska

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Testimonials:

Clear Performance & Better Planning Decisions

"Goska is my company's bookkeeper and she is extremely good. I found out about her services through a friend when Goska was just launching her independent practice and I had the good fortune of being one of her first clients. I switched away from my previous bookkeeping services to work with Goska using QuickBooks Online because she is able to give me great business advice in addition to creating specialized reports for my company. Thanks to the financial picture Goska creates, I have clarity about the performance of my business and I'm able to make better planning decisions for the future."

Lionel P. Church
Owner
November 16, 2020

"It is my pleasure to submit this recommendation for Goska Bryan. I've known Goska for over four years and had the opportunity to work with her at Power2Practice. Goska served as Controller. Goska constantly demonstrated an outstanding work ethic and proved herself to be honest and reliable. Her strong organizational skills and attention to detail resulted in work that was always thorough and accurate. Goska was a well respected member of our staff and she would be a tremendous asset to any organization.

Christine O'Neill
Head of Human Resources
July 20, 2020