

# The Top 10 Bookkeeping Habits of Every Great Small Business Owner

Great small business bookkeeping doesn't just happen; it's built on well-practiced habits. Practice these 10 and you'll always be in control of your books *and* your business.

## 1 Record Expenses the Moment You Incur Them -

There's nothing worse than dealing with a mountain of expense receipts. Instead, make a habit of snapping a photo of every expense receipt the moment you get it, with your smartphone. **Bonus Tip:** Take screenshots of receipts for online purchases.

## 2 Plot Your Tax Deadlines on Your Calendar and Set Alerts -

Taxes are a year-round consideration. From quarterly estimated payments to payroll taxes, take the time to add all of your business's tax deadlines to your calendar. **Bonus Tip:** Set reminder alerts that give you ample time to calculate and file and plot submission dates for things like payroll.

## 3 Invoice as Soon as Appropriate -

If you invoice your clients, do so as soon as appropriately possible. When it comes to sending invoices, procrastinating does one thing: delay payment.

## 4 Keep a Reserves Account -

In business, \$#!T happens. Maybe you get sick. Maybe business is slower for longer than expected. Or maybe a tax bill is more than you anticipated. These are all good reasons for you to keep a reserves account. And while you're at it, get to know your banker—personally. You never know when you'll need a cash infusion and it's easier to ask for funds from someone who already knows your business versus dialing for dollars.

## 5 Pay Attention to More than Just Your P&L -

A P&L is great for showing you whether your business is in the black or in the red, but other financial reports tell you so much more! Consult a general ledger to see every one of your business's transactions. Get familiar with a cash flow report to know how and when your business is bringing in money compared to how and when it's spending it. Look at a balance sheet to better understand your assets and liabilities.

## 6 Don't Be Timid About Getting Paid -

Following up on your accounts receivable is mission critical. Why? Because no matter how great your client relationships are, people hate parting from their money. So follow up in a polite, timely, assertive manner. **Bonus Tip:** Staying on top of your accounts receivable and accounts payable will improve your view on cash flow.

## 7 Treat Each Month End as a Mini-Year End -

A year's worth of bank transactions to be reconciled is daunting. Twelve bite-sized pieces is much more manageable. Do your bank rec at the end of every month and you'll have way less stress come year end.

## 8 Always Keep Business from Personal -

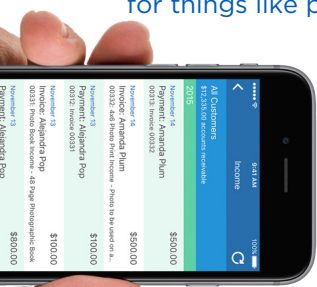
Using personal money for small "here and there" business expenses is no big deal, right? Wrong! "Here and there" can add up to a lot. Always try to keep business and personal funds separate.

## 9 Use Some Accounting Software -

Keeping your books by pen and paper is counterproductive and spreadsheet leave room for error. But accounting software—especially cloud-based accounting software—puts you in control, from anywhere, anytime, on any device. (Sure, we think you should use Kashoo, but we'd rather see you use any accounting software than none at all.)

## 10 Never Ignore a Problem -

Over time, small, ignored bookkeeping mistakes become big, festering problems with potentially serious consequences. Always try to nip a bookkeeping error in the bud and when you don't, seek help. Talk to a tax prep pro or an accountant. You can even talk to us! Email [answers@kashoo.com](mailto:answers@kashoo.com) or call **888-520-5274** and talk to a real person.



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