

How Business Bookkeeping Can Make Budgeting Easy

Small business owners generally fall into two categories. There are the business owners that let their accounting tasks, invoicing, and payables pile up on their desk - or even in a shoe box, until they're forced to face the music. Usually this happens around tax time. The other sides of the coin are the business owner that are amazingly organized and know where every penny of their money is going. What do these business owners have that the rest of us don't? More time? A PhD in accounting? Nope, chances are they have a system. To put it more simply, they're organized. If you're in the crowd of business owners that let it all pile up, there are a few things we can learn from the more organized folks. If we take just a few of the steps organized business owners take, not only will we save several days of excruciating paperwork, we will have a firmer grasp on our money. Here are some recommendations for good bookkeeping practices: #1: Record income and expenses on a regular basis. If you have a budget, recording this information is as easy as taking a few minutes each week or about an hour a month and recording your income and expenses on your budget. Your budget will have expense categories that reflect your business and which are broken into subcategories that make it easy for you to record. For the less organized, a simple system is to keep a file for your week's receipts and payments. Using this method all you have to do is pull out your paperwork at the end of the week, add it up, record it, and you're good to go. Literally 10-15 minutes of your time. #2: Create expense categories that make sense for your business. Trying to fit your business budget and bookkeeping categories into a standard form may not work for you. Not all categories will apply to your business and it can end up feeling like an incomplete and inaccurate project. For example, a direct sales company will have an expense category that includes shipping and receiving as well as an inventory category. However, a service business won't have those categories and will end up with blanks in their spreadsheet. Spend some time going over your accounts and create a list of expense categories that work for your business. #3: Have a method. When you have a bookkeeping method, a software program or a spreadsheet, and you use it, transferring the information to your budget or vice versa is just like cutting and pasting the information from one document to another. It's easy. Having control over your money is a necessity as a business owner and if you're not keeping a budget or tracking your accounts, you're less in control of your money. It's worth taking a few minutes and organizing your accounts. You won't regret it!

About the Author

Eddie Lamb owns LiveMortgageFree.com a website devoted to helping homeowners, first time buyers or tenants. You'll get your own exclusive access to the program and bonuses that will get you on the road to living Mortgage Free. For more information visit: <http://LiveMortgageFree.com/>

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