

## **5 Accounting Tips That Will Make Managing Your Small Business a Breeze**

If you are the owner of a small business, you are endlessly busy. Between keeping track of the day-to-day requirements and monitoring growth and profit, it's easy to get overwhelmed and that means you might neglect important recordkeeping that will help you in the long term. Here are five helpful hints that will make accounting easier and make sure that you don't miss any milestones or deadlines.

### **1. Business and personal expenses should be kept separate.**

It's easy to make the mistake of using your business credit card for personal expenses and vice versa, and those errors can always be amended through reimbursements and revised record-keeping, but you'll save yourself a lot of time, trouble and aggravation if you keep the two types of expenses completely segregated from the start.

### **2. Don't underestimate the difficulty of your taxes – hire a tax professional.**

If you're smart enough to run your own business, it's natural to assume that you can save yourself the expense of hiring a tax professional to file your taxes. The truth is that there's a lot more to accounting than filling in forms, and a tax professional will be familiar with deductions you don't realize you're entitled to take, or inform you of an underpayment that might lead to trouble down the road.

### **3. Be realistic about upcoming expenses.**

When things are moving along swimmingly, it's natural to assume that the status quo will remain, but you need to be realistic and anticipate that office equipment will wear down or need to be upgraded, staffing needs will change, and overhead costs are unlikely to remain the same. By planning for future major expenses and setting aside funding for those eventualities, you will save yourselves many headaches in the future.

### **4. Don't forget your employees when calculating expenses**

A lot of business owners will sit down to forecast their expenses or try to figure out where their money is going, but forget to give proper weight to the amount that they are spending on staffing expenses such as insurance, health care and payroll taxes. Your employees are generally one of your biggest assets, so it's important that when you're calculating costs, you make sure that you haven't forgotten about all of the expenses involved with keeping them, as well as with expanding.

### **5. Don't lose sight of your Accounts Receivables**

If you were an employee of a business that failed to give you a paycheck, you'd be more than just upset – you'd take action to make sure that you get paid. Yet many owners of small businesses get so enmeshed in the minutia and big decisions of their day-to-day operations that they lose track of whether clients are paying promptly and what percentage of invoices remain open. Getting behind on your record keeping regarding accounts receivables lets things get so far behind that it becomes costly and difficult to collect, and you may end up not getting paid or creating negative feelings. Track payments as they come in, note how far behind payments due are, and take note of which clients are presenting you with collection problems.

These tips are straightforward and simple, and following them can make a significant difference in your ability to keep your business on track, to keep your forecasts accurate, and to allow you to take action when it's needed. For more information on other steps you can take, contact this firm to make an appointment for a consultation.