

Key accounting tasks to mold into your business process and make tax time much easier

- Know your cash balance
 - Help to plan for upcoming cash needs
 - Keep your business income and expenses in a cash account separate from your personal cash, same with credit cards
- Update your accounting records
 - Keep it basic and meaningful
 - Spend 1 hour each month
 - Reconcile your cash – cash is a great indicator of profitability
- Use automated feeds for fast, accurate updates
- Understand the basics of a Balance Sheet
 - What you own and what you owe
 - Track receivables – people who owe you
 - Track payables – bills you need to pay
 - Compare to last year to see how you've improved or not
- Tax returns
 - Claim all your income – 3/5 years profitable
 - Claim appropriate expenses – don't try to claim personal expenses
 - Do – keep a mileage log, keep receipts, log business meals, claim barter arrangements
 - Don't – claim home office for your dining room table, try to deduct personal expenses
 - Know the rules about employee vs. independent contractor
 - Plan for estimated tax payments – roughly 1/3 of income
 - Talk with your accountant about alternative business structures – LLC, S Corp