



# A Guide To Better Bookkeeping

1787 Grand Ridge CT NE, Ste 200 · Grand Rapids, MI 49525  
(616) 776-6457 · [taxes@ddmorgan.com](mailto:taxes@ddmorgan.com)

# A Guide To Better Bookkeeping

## 21% of small to medium-sized business owners admit to not knowing enough about bookkeeping.

And we're out to change that number. At Morgan & Associates, we're working hard to come alongside our customers, explain the ins and outs of bookkeeping, and set the course for their business to succeed.

That's why we've created this training guide. It's a handy reference tool that customers can use to keep their books on track. We know not everyone loves crunching the numbers. And you should be in the field, doing what you love best — your real job. So when it is time to sit down and organize, we're here to help.

An ICAS 2016 study discovered that 30% of SMBs owners consider accountants to be their most reliable collaborators. That's our ultimate goal: To empower business owners to take the lead, and we can support them with strong financial data and strategy.

## Should I use automated accounting software?

This is one of our most frequently asked questions. And our answer is hands down, yes.

**Accounting automation returns the investment within 6-18 months.** The benefits of employing full accounting automation go beyond saving time to truly saving money. Vanguard Systems A.P.'s accounting software statistics show that accounts payable automation saves up to \$16 per invoice.

We recommend finding a software or automation that best fits your business size. We can help you decide on the best fit for you, and we offer a range of training options to help.

When you automate your bookkeeping, you're eliminating the most time-consuming, manual accounting processes. That frees your accountants to do the fun stuff - the strategy and analysis that customers count on.

By leveraging technology to make you more efficient, you also get real-time access to financial data so that reporting and analysis can be done continuously.

Executives can use that timely data to inform business decisions and develop strategy.

Using a tool like Robotic Process Automation (RPA) is not replacing your software or bookkeeper, but just redirecting human skills to be used in the best possible way for your business.

Automating minimizes the chances of human errors and inaccurate calculations.

If you don't use effective accounting software, you're making business decisions in the dark. And it results in unpredicted revenue loss over time.

Your business will struggle if you're not using the right tools.

## How do I stay organized with finances?

Staying organized is one of the biggest headaches with running a business.

# A Guide To Better Bookkeeping

**35% of self-employed contractors stress out about making an accounting mistake.**

AccountancyAge reports that making a mistake is the biggest fear of self-employed contractors who do their accounting. 15% stress about the completion time length and 13% about the complexity of the process. 5% named financial penalties as their primary headache when it comes to bookkeeping.

That's why we're offering a quick cheat sheet to keep you on task with everything on your financial to-do list. We highly suggest setting appointments in your calendar to ensure everything gets done on time, especially for the monthly, quarterly and end-of-year tax requirements. Blocking out the time now ensures that important financial tasks don't get pushed off when your day gets busy.

## Daily Tasks

- Refresh your financial data
- If your business accepts cash, reconcile it against receipts
- Review and reconcile transactions
- Record payments you receive, deposit cash and checks
- Record and categorize expenses
- Record inventory you receive
- Invoice your clients
- Pay vendors, or schedule bills to be paid
- Backup your data

## Weekly Tasks

- Review and reconcile your business bank accounts and credit card accounts
- Review and pay invoices
- Send invoices
- Upload your receipts

## Monthly Tasks

- Credit card and bank account reconciliation
- Record individual credit card transactions
- Reconcile payroll plans (cafeteria, disability insurance, HRA, simple IRA, vacation)
- Maintain vendor W-9 information
- Create collections process
- Process use tax
- Prepare sales tax return
- Run payroll and make payroll tax payments
- Review your balance sheet
- Follow up on past-due invoices

## Quarterly Tasks

- Submit quarterly payroll reports and payments
- Tax payments
- Review cash flow
- Evaluate annual profit and loss statements
- Pay sales tax

## Annual Tasks

- File any necessary IRS forms
- Collect any outstanding debts and close out your books
- Create your year end financial reports
- Gather the necessary information for your taxes
- File your tax returns

When you stay organized financially, you save time and operating costs — so you can spend on growth.

## How does proper bookkeeping help with reporting and projections?

Smart organizations are now using multiple business tools to build real-time data the company needs to thrive.

If you can access a robust, centralized bookkeeping system, it helps you make smarter, informed business decisions.

For example: When you're planning ahead financially, you need to be able to access reports of previous years' expenditures, income and loss statements.

Or if you're projecting for future business expenses, it's important that you can see the real-time figures.

Automation and accounting software makes it convenient to gather the critical real-time data you need.

By analyzing the trends, you're able to better predict what your future will look like.

There are also regulatory guidelines and local statutory reporting that can cause headaches if you push off regular bookkeeping.

We know it's not easy. Especially if you start a business, but don't have any training with finances.

Morgan & Associates can help. We train in QuickBooks and design robotic process automation (RPA) for clients. From design to implementation, we create a digital workspace that instantly helps your accounting and finance professionals.

## How does bookkeeping help with tax benefits/opportunities?

Virtually every financial decision you make has tax implications.

Unfortunately, we talk with many clients who miss out on helpful tax perks when their books aren't up to date.

Some government programs and loans require accurate data to be reported in order to cash in on incentives. If the books are sloppy, you won't be able to apply in time.

Tax incentives are also increasingly employed by federal, state and local governments as an economic development tool.

Another perk of accurate books: Prepare for tax season with no extra effort.

How many of us cringe at the thought of gathering receipts, tracking down invoices and payments and accounting for every single dollar?

But if you've done it all year long, it doesn't hurt so much at tax time.

**Tax preparation (71%) and payroll (50%) are the two most outsourced tasks of small to medium-sized businesses.**

Whether or not you outsource services to an accounting firm, they still need accurate numbers in order to submit your documents to the IRS.

Tax law is ever-changing, and can be difficult to navigate. Don't make it harder by procrastinating on gathering your financials.

## Planning for the future

Tackling bookkeeping is a professional hurdle.

But to do it well means to set your business up for success in the years to come.

If you're interested in redesigning what bookkeeping looks like for your company, call us at 616-776-6457.

### Resources

- <https://www.businessnewsdaily.com/11079-daily-accounting-checklist.html>
- <https://www.accountingdepartment.com/blog/bid/333603/Monthly-Bookkeeping-Understanding-the-Tasks-Involved>
- <https://www.linkedin.com/pulse/quarterly-bookkeeping-checklist-elizabeth-manso/>
- <https://www.hourly.io/post/the-essential-bookkeeping-checklist-for-small-businesses>
- [http://www.jolandars.com/bookkeeping/30\\_information\\_and\\_resources/bookkeeping\\_quickbooks\\_ask\\_list.php#.YYqyV9bMKqQ](http://www.jolandars.com/bookkeeping/30_information_and_resources/bookkeeping_quickbooks_ask_list.php#.YYqyV9bMKqQ)
- <https://www.nationalbusinesscapital.com/benefits-of-outsourcing-bookkeeping/>