

# BOOKKEEPING BASICS

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DIRECTOR NORTHLAND PIONEER SBDC

# WHO WE ARE



## Small Business Development Center:

The SBDC is part of a nationwide network of centers that deliver services to anyone who operates a business or is planning to start a business. We work with businesses in every industry and at every stage of growth from start-ups to well-established companies.

You are busy working IN your business. We help you work ON your business. Have an idea for expansion, need to refinance, are there opportunities to sell to the government? Through our one-on-one no charge consulting we can help!

For more  
information visit us  
at:

[Coconino.edu/sbdc](http://Coconino.edu/sbdc)

[Centralaz.edu/sbdc](http://Centralaz.edu/sbdc)

[NPC.edu/sbdc](http://NPC.edu/sbdc)





# America's SBDC Clients

- > Start a new business every 32 minutes
- > Create a new job every 5.3 minutes
- > Access \$100,000 in capital every 9.4 minutes
- > Make \$100,000 in new sales every 8 minutes



## SERVICES WE OFFER:

- No cost Confidential Business Counseling
- No cost to low cost Seminars & Training
- New Business Check List
- Access to Capital Loan Assistance
- Government Contracting
- And much more







**“SIMPLE CAN BE HARDER THAN COMPLEX. YOU HAVE TO WORK HARD TO GET YOUR THINKING CLEAN TO MAKE IT SIMPLE. BUT IT’S WORTH IT IN THE END BECAUSE ONCE YOU GET IT THERE, YOU CAN MOVE MOUNTAINS.”**

**STEVE JOBS**

- **Responsibilities of a Business Owner**
- **Assets and Liabilities**
- **Revenue and Expenses**
- **Timeline for Bookkeeping Tasks**



## Responsibilities of Business Owners:

### Three legged stool

- ❖ Make it
- ❖ Sell it
- ❖ Everything else





## Bookkeeping Options:

- ❖ **Business owner does the bookkeeping.**
- ❖ **Hire a bookkeeper (in house or hourly).**
- ❖ **Hire (after the fact) bookkeeper or accountant.**



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## Bookkeeping Software:

**QuickBooks**

**Sage 50**

**NetSuite**

**SAP**

**Wave**

**Zoho**

**Zero**

**Reckon**

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## Using a Bookkeeper or Accountant:

There are no buckets! It is continuous.





# ASSETS



Tangible	Intangible	Living	Moving
			
			
			
			

**Assets  
are what  
you own**



# LIABILITIES



	Current	YTD
Income Tax	43.34	3,465.35
Security (FICA)	136.59	6,504.76
al Medicare	254.91	4,633.10
and Income Tax	185.32	1,083.55
Federal Income Tax	43.34	3,465.35
Social Security (FICA)	136.59	6,504.76
Federal Medicare	254.91	4,633.10
Maryland Income Tax	185.32	1,083.55
TOTAL	620.16	15,886.76
DUCTIONS	77.00	4,300.05
	208.33	5,800.05



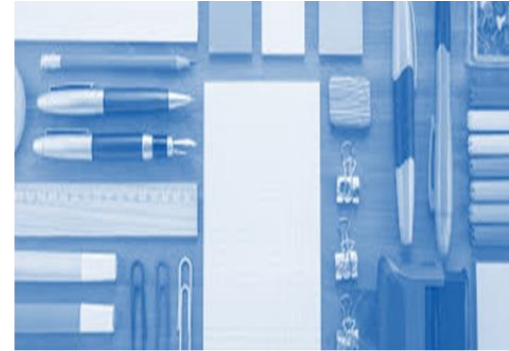
**Liabilities  
are what  
you owe**

# REVENUE

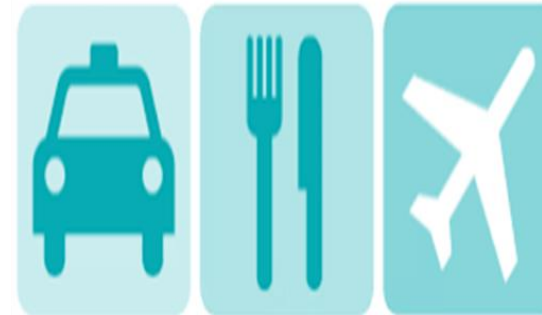




# EXPENSES



**Expenses  
are what  
you spend**



# CHART OF ACCOUNTS



Chart of Accounts			
Number	Description	Account Type	Financial Statement
1-001	Cash	Asset	Balance Sheet
1-010	Accounts Receivable	Asset	Balance Sheet
1-020	Prepaid Expenses	Asset	Balance Sheet
1-030	Inventory	Asset	Balance Sheet
1-040	Fixed Assets	Asset	Balance Sheet
1-050	Accumulated Depreciation	Asset	Balance Sheet
1-060	Other Assets	Asset	Balance Sheet
2-001	Accounts Payable	Liability	Balance Sheet
2-010	Accrued Liabilities	Liability	Balance Sheet
2-020	Taxes Payable	Liability	Balance Sheet
2-030	Payroll Payable	Liability	Balance Sheet
2-040	Notes Payable	Liability	Balance Sheet
3-001	Common Stock	Equity	Balance Sheet
3-010	Retained Earnings	Equity	Balance Sheet
3-020	Additional Paid in Capital	Equity	Balance Sheet
4-001	Revenue	Revenue	Income Statement
4-010	Sales returns and allowances	Revenue	Income Statement
5-001	Cost of Goods Sold	Expense	Income Statement
5-010	Advertising Expense	Expense	Income Statement
5-020	Bank Fees	Expense	Income Statement
5-030	Depreciation Expense	Expense	Income Statement
5-040	Payroll Tax Expense	Expense	Income Statement
5-050	Rent Expense	Expense	Income Statement
5-060	Supplies Expense	Expense	Income Statement
5-070	Utilities Expense	Expense	Income Statement
5-080	Wages Expense	Expense	Income Statement
6-001	Other Expenses	Other	Income Statement



## Daily Bookkeeping Tasks:

**Evaluate Cash Flow**

**Enter your Sales and Cash Receipts**

**Check your Bank Account Balance**

**Prepare Deposits**

## Weekly Bookkeeping Tasks:

**Prepare and send invoices**

**Payroll**

**Pay vendors**

**Reports due to Government Agencies**

**Review Cash Flow**

**Document and File Receipts**



## Monthly Bookkeeping Tasks:

**Reconcile Bank Account**

**Analyze Inventory**

**Reconcile Petty Cash**

**Complete Monthly Payroll Reports and Payments**

**Complete Sales Tax Report and Payment**

**Review Financial Statements**

**Review Past Due Accounts Receivables**

**Compare Actual to Budget**

## Quarterly Bookkeeping Tasks:

**Complete Estimated Quarterly Taxes and Payments**

**Complete Quarterly Payroll Reports and Payments**

# TIMELINE



## Annual Bookkeeping Tasks:

**Review Accounts Receivables**

**Backup Accounting Software**

**Complete Physical Inventory**

**Prepare info for Tax Preparation**

**Review Financial Reports**

**Prepare W-2s and 1099s**



## Bookkeeping Tips:

- **Keep business and personal finances separate.**
- **Automate as much as possible.**
- **Keep thorough records.**
- **Set reminders for deadlines.**
- **Leave an audit trail.**
- **Track business expenses.**
- **Keep your books as a TOP THREE (stool) priority.**



## Three Legged Stool Tips:

- Review the person sitting on the stool
- You owe it to your business to review often if the three legs are doing their job
- Make changes if needed- more training or responsibility shifts
- Don't let your business outgrow the expertise of the accounting function

# QUESTIONS?



Register for counseling:  
Website: [Coconino.edu/sbdc](http://Coconino.edu/sbdc)  
[Centralaz.edu/sbdc](http://Centralaz.edu/sbdc)  
[NPC.edu/sbdc](http://NPC.edu/sbdc)

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