



# **BOOKKEEPING BASICS**

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# Bookkeeping Basics

**Separate business and personal bank accounts**

**Keep all receipts and organize by categories**

**Note all transfers between personal and business accounts**

**Track income and borrowed funds (loan proceeds) separately**

**Track and record business expenses weekly**

**Balance checkbook weekly**

**Reconcile checkbook monthly**

**Make sales tax payments quarterly**

**Make estimated tax payments quarterly, if required**

# Expense Categories

## Advertising

- Website
- Facebook, Google ads, Etsy ads, etc.
- Business cards
- Craft or trade show signage
- Newspaper, radio, or phone book ads

## Bank Fees

- ATM
- Monthly service fees
- Late payment fees

## Cost of Goods

- Material
- Inventory

## Dues & Subscriptions

- Etsy fees
- Photoshop
- Any business related subscriptions

## Insurance

- Business liability
- Business assets

## Equipment Rental

## Interest Fees

- Finance charges
- Business loan interest

## Legal & Professional Fees

- Legal consultation
- Accounting
- Bookkeeping

## Seller Fees

## Auto Expenses and Mileage

- Insurance
- Property tax
- Gas
- Mileage
- Parking and tolls  
(work-related travel only)
- Repairs

## Business Licenses and Permits

## Labor

- Commission
- Wages
- Subcontractor

## Education

- Books & reference material
- Professional development
- Workshops & trainings

## Payroll Expenses

- Payroll Taxes
- Payroll Service Fees

## Travel

- Airfare & lodging
- transportation
- Local travel

## Credit Card processing fees

## Sales tax

## Start- Up cost

# Catching Up On Your Books

4 weeks Beginning to End

## Week 1

- Print off Jan-March bank statements
- Print off Jan-March business credit card statements
- Compare receipts to bank and credit card statements
- Track expenses in accounting software
- Log income for Jan-March (make note of transfers or loans)
- Calculate beginning inventory
- Reconcile checkbook and accounting software
- Track and backup all digital receipts

## Week 2

- Print off April-June bank statements
- Print off April-June business credit card statements
- Compare receipts to bank and credit card statements
- Track expenses in accounting software
- Log income for April-June (make note of transfers or loans)
- Check and log business mileage
- Reconcile checkbook and accounting software
- Track and backup all digital receipts
- Backup all business files (flash drive, dropbox, or cloud)

### Week 3

- Print off July-Sept bank statements
- Print off July-Sept business credit card statements
- Compare receipts to bank and credit card statements
- Track expenses in accounting software
- Log income for July-Sept (make note of transfers or loans)
- Calculate End of year inventory
- Reconcile checkbook and accounting software
- Track and backup all digital receipts

### Week 4

- Print off Oct-Dec bank statements
- Print off Oct-Dec business credit card statements
- Compare receipts to bank and credit card statements
- Track expenses in accounting software
- Log income for Oct-Dec (make note of transfers or loans)
- Make a list of all large purchase (< \$400.00) include description and date
- Reconcile checkbook and accounting software
- Track and backup all digital receipts

# Break It Down

- Separate receipts by categories
- Log 'cost of goods' receipts in accounting software
- Calculate 'cost of goods' receipts and file
- Log advertising receipts in accounting software
- Calculate advertising receipts and file
- Log labor receipts in accounting software
- Calculate labor receipts and file
- Collect current W-9 from employees and subs
- Log utilities receipts in accounting software (business use of home)
- Calculate utilities receipts and file
- Log insurance receipts in accounting software
- Calculate insurance receipts and file
- Log mileage
- Log home office receipts in accounting software
- Calculate home office receipts and file
- Log education, dues, and subscriptions receipts in accounting software
- Calculate education, dues, and subscription receipts and file
- Log legal, bank fee, & interest Receipts in accounting software
- Calculate legal, bank fee, and interest receipts and file
- Log auto expense receipts in accounting software
- Calculate auto expense receipts and file
- Log rental & miscellaneous receipts in accounting software
- Calculate rental & miscellaneous receipts and file
- Log all income
- Log all refunds and loans
- Create end-of-year summary
- Create profit and loss spreadsheet
- List all large purchases with price, date, and description