

A HABIT GUIDE

Unlock the Secrets of Flawless Financials!



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HELLO!

I'm Kelly, a CPA, coach, and entrepreneur who left the corporate world to look after my health and well-being and I built a business that works with midlife, not against it.

I create tools like this because I know what it's like to feel overwhelmed, underpaid, and like you're running on empty. You're not broken...you're navigating one of life's biggest transitions while building something meaningful.

You deserve resources that speak to all of you: the businesswoman, the human, the whole person.

Let's build something sustainable together.

Kelly Hill
the menopausal entrepreneur

Forming Great Bookkeeping Habits

The Value of Good Bookkeeping Habits

In the bustling life of an entrepreneur, managing finances can sometimes take a backseat, but the importance of good bookkeeping habits cannot be understated. Robust bookkeeping is the backbone of any thriving business. It provides a clear snapshot of where your money is coming from, where it's going, and most importantly, how much of it you get to keep.

Beyond just crunching numbers, cultivating good bookkeeping habits allows you to make informed decisions, forecast future financial challenges and spot opportunities for growth. It's like having a crystal ball that, instead of vague glimpses of the future, offers data-driven insights tailored to your business. Moreover, when tax season rolls around, instead of scrambling through stacks of receipts and invoices, you'll find yourself at ease, knowing everything is organized and in place. In essence, good bookkeeping is more than just a business practice—it's a strategic asset, propelling your venture toward sustained success and stability.

How These Habits Can Impact Business Growth and Sustainability

Mastering the art of bookkeeping doesn't

just keep your accounts tidy—it directly fuels the growth engine of your business. First and foremost, by adopting regular bookkeeping habits, you gain immediate clarity on your cash flow. This transparency allows you to identify profitable ventures, manage overheads, and even pivot when certain strategies aren't yielding expected returns. Moreover, having a clear financial trail boosts investor and lender confidence. When you can showcase a well-maintained financial history, it speaks volumes about your business acumen, making it easier to secure the necessary funding for expansion.

Additionally, sustainability isn't just about steady profits—it's also about anticipating challenges. Good bookkeeping habits play a prophetic role, helping you foresee potential financial pitfalls. This proactive approach ensures you're not caught off-guard by unexpected expenditures, allowing you to allocate resources wisely.

Furthermore, sustainability is also about compliance. Regular bookkeeping ensures that you're always ready for tax obligations, reducing the risks of penalties and late fees. By embedding these habits into your business DNA, you're not only setting up for financial success but also building a resilient foundation that can stand the test of time.

HABIT 1

Regularly Schedule Bookkeeping Time

The Benefits of Consistency

Consistency is essential for successful bookkeeping. Just as plants thrive with regular watering, your finances need steady attention. Setting aside regular bookkeeping time ensures you manage your finances effectively without feeling overwhelmed. This rhythm, whether daily or monthly, breaks down tasks, reduces errors, and becomes routine over time. Regularly updated financial data enables informed decisions. And having a set bookkeeping routine not only brings peace of mind but also lets you focus on business growth.

How to Get Started

Start Simple: Begin with a basic schedule that you can realistically commit to. If daily seems too much, start with weekly or bi-weekly and adjust as needed.

Use Digital Tools: Leverage calendar apps, reminders, or task management software to set and notify you of your bookkeeping times.

Prioritize Key Tasks: Determine the most critical bookkeeping tasks and ensure they are tackled first during your scheduled times.



Limit Distractions: Create a dedicated workspace free from distractions. Turn off unnecessary notifications and inform team members of your focus periods.

Batch Similar Tasks: Group-related activities, like invoice processing or expense tracking, together for increased efficiency.

Stay Flexible: Life can be unpredictable. If you miss a scheduled session, reschedule it as soon as possible, rather than skipping it entirely.

Monthly Reviews: In addition to regular sessions, schedule a more comprehensive monthly review to ensure everything is in order and to catch any discrepancies.

Seek Expert Advice: If you're unsure about the frequency needed for certain tasks, contact a reputable bookkeeper.

HABIT 2

Stay Organized with Digital Tools



QuickBooks Online (QBO)

In today's digital age, leveraging the power of technology is not just a convenience but a necessity for businesses. Efficient bookkeeping is no longer about ledgers and physical files; it's about harnessing digital tools that offer speed, accuracy, and accessibility.

One of the most recognized names in the bookkeeping software world, QuickBooks offers both desktop and cloud-based versions. It's suitable for a variety of business sizes, with features like expense tracking, invoicing, and tax preparation.

We're big fans of QBO. If you choose to use QBO, you can use our referral code here to save 50% for the first six months!



Xero

A cloud-first approach makes Xero a favourite among businesses looking for real-time access to their financial data. Its intuitive interface and features like bank reconciliation, invoicing, and payroll make it a powerful tool for small and medium-sized enterprises (SMEs).



FreshBooks

Designed with service-based businesses and freelancers in mind, FreshBooks excels at time tracking, project management, and client invoicing. Its user-friendly interface and automated features like recurring billing and expense categorization make it particularly appealing to creative professionals and consultants who need to track billable hours.



Wave

Wave stands out for its free cost and simplicity, making it an excellent choice for startups and small business owners. It offers basic invoicing, expense tracking, and reporting capabilities without the monthly subscription fees that other platforms require.

HABIT 3

Understand Your Financial Statements

The heartbeats of a business's financial health can be felt through its financial statements. For any entrepreneur, understanding these documents is not just a recommendation—it's a crucial practice. Whether you're speaking with investors, making future projections, or evaluating past performance, your financial statements provide the clarity you need.

Breaking Down the Balance Sheet, Profit & Loss Statement, and Cash Flow Statement

Balance Sheet (Statement of Financial Position):

- **Snapshot:** Presents assets, liabilities, and equity of a business at a specific point.
- **Importance:** Shows what a company owns and owes; offers insights into its financial strength or weakness.

Income Statement (Profit & Loss Statement):

- **Snapshot:** Details revenues and expenses over a period, illustrating how much profit or loss was generated by business operations.
- **Importance:** Offers a clear picture of the company's operational performance and profitability.

Cash Flow Statement:

- **Snapshot:** Chronicles the inflow and outflow of cash in a business over a period. It's categorized into operations, investing, and financing activities.
- **Importance:** Highlights how money is moving in and out of the business, showing if a company is generating enough positive cash flow to maintain and grow.



HABIT 3

Understand Your Financial Statements

Tips for Understanding Your Financial Statements

- 1) **Regular Review:** Make it a habit to review statements monthly. Over time, you'll begin to notice trends and anomalies.
- 2) **Educate Yourself:** Invest in basic accounting or financial literacy courses. Even a foundational understanding can be invaluable.
- 3) **Ask Questions:** If you work with a financial professional or bookkeeper, ask them to walk you through each statement until you're comfortable.
- 4) **Use Comparisons:** Compare current statements to past ones or benchmark against industry standards to get a perspective on your business's standing.

Understanding your financial statements is like having a GPS for your business. You'll know where you stand, where you're headed, and what obstacles might be in the way. It empowers decision-making, fostering both growth and stability.



HABIT 4

Separate Personal and Business Finances

This is the Number One Thing We Tell Our Clients

Blending personal and business finances can be tempting, especially for new entrepreneurs or small business owners. However, merging the two can lead to a myriad of complications. Establishing a clear boundary between personal and business finances is not just a best practice—it's essential for clarity, organization, and legal protection.

Reasons to Keep Them Separate

Simplified Bookkeeping: When business and personal transactions don't overlap, tracking business income and expenses becomes more straightforward.

Clear Financial Picture: A separate business account offers a transparent view of your business's financial health without personal expenses muddying the waters.

Professionalism: Issuing refunds, accepting payments, or dealing with clients becomes more professional when conducted from a business account.

Tax Purposes: It's easier to determine tax liabilities and claim business deductions when your finances are separated. Mixing the two can lead to missed deductions or tax complications.



HABIT 4

Separate Personal and Business Finances

Best Practices

Open a Business Bank Account: As soon as you start your business, open a dedicated checking account for all business-related transactions.

Acquire a Business Credit Card: Use this exclusively for business-related purchases to easily track expenses and build business credit.

Pay Yourself a Salary or Dividend: Instead of haphazardly transferring money, set a regular "salary" or "owner's draw" to separate personal income from business revenue. Speak with a tax professional to determine the best option for you.

Keep Receipts Organized: Maintain separate folders or digital files for personal and business receipts.

Use Accounting Software: Modern software allows you to link specific bank accounts, ensuring all transactions are categorized correctly.

Review Regularly: Regularly check to ensure no personal expenses are accidentally recorded in your business books and vice versa.

By firmly establishing this financial boundary, business owners can avoid potential pitfalls, maintain clearer financial records, and ensure they're making the best decisions for both their personal and business futures.



HABIT 5

Regularly Reconcile and Review

In the realm of financial management, diligence and regular checks are vital. Reconciliation isn't just about matching numbers—it's about ensuring that your business's financial records are accurate, up-to-date, and reflective of its true financial position.

Why Reconciliation and Regular Review is Crucial

- **Error Detection:** Even with automated systems, mistakes can happen. Regular reconciliation helps in catching discrepancies between your records and bank statements or other financial documents.
- **Fraud Prevention:** Consistent review can help detect unauthorized transactions or suspicious activities, enabling you to address them promptly.
- **Cash Flow Management:** By reconciling, you get a clear picture of available funds, which aids in better cash flow management and informed decision-making.
- **Financial Accuracy:** It ensures that your financial statements, whether they're for internal use or presented to external stakeholders, are accurate and trustworthy.
- **Timely Problem Resolution:** Addressing discrepancies or issues sooner rather than later can prevent larger complications in the future.



HABIT 5

Regularly Reconcile and Review

Common Errors to Watch Out For

- 1) **Transposition Errors:** This occurs when two digits are reversed (e.g., "54" instead of "45").
- 2) **Omission:** Forgetting to record a transaction altogether.
- 3) **Duplication:** Recording the same transaction more than once.
- 4) **Mathematical Mistakes:** Simple arithmetic errors can sometimes be overlooked, especially when manually entering data.
- 5) **Misclassification:** Recording a transaction under the wrong account or category. For instance, listing a marketing expense under office supplies.
- 6) **Failure to Reconcile:** Not regularly comparing your internal records with external statements, like bank or credit card statements.
- 7) **Recording at the Wrong Date:** Inputting a transaction on a date different from when it occurred.
- 8) **Not Accounting for Outstanding Checks or Payments:** Forgetting about transactions that have been made but not yet cleared.
- 9) **Incorrect Invoice Amounts:** Mistakes in invoicing can lead to discrepancies in both revenue and accounts receivable.
- 10) **Overlooking Bank Fees or Interest:** Not accounting for fees charged by banks or interest earned can throw off reconciliations.
- 11) **Data Entry Errors:** Especially common with manual systems. This includes typing errors or selecting the wrong item from a dropdown menu.
- 12) **Not Factoring in Currency Conversions:** For businesses dealing with multiple currencies, neglecting to account for conversion rates can lead to discrepancies.
- 13) **Neglecting Accruals:** For businesses using accrual accounting, forgetting to account for expenses or revenues that have been incurred but not yet paid or received.
- 14) **Lack of Documentation:** Not keeping proper receipts or invoices can lead to difficulties in verifying or justifying transactions.
- 15) **Over-Reliance on Software:** While accounting software is incredibly useful, it's not infallible. Always review automated entries or calculations for potential mistakes.

Regularly reviewing your financial records with these potential errors in mind will ensure that your books remain accurate, allowing for more informed business decisions and smoother financial operations.

BONUS SECTION

Top 3 Bookkeeping Mistakes to Avoid

1) Neglecting Regular Updates

- **The Pitfall:** Many entrepreneurs, caught up in the day-to-day operations of their business, put off updating their books until the end of the month or even the end of the quarter. This delay can lead to missed transactions, overlooked expenses, and inaccurate financial pictures.
- **The Solution:** Make it a habit to update your books regularly, whether it's daily, weekly, or bi-weekly. Using bookkeeping software that can integrate with your bank accounts can also help automate this process.

2) Mixing Personal and Business Expenses

- **The Pitfall:** It's not uncommon for entrepreneurs, especially when starting, to pay for business expenses out of personal accounts or vice versa. However, this blending can lead to tax complications, missed deductions, and a skewed understanding of business profitability.
- **The Solution:** Always keep separate bank accounts and credit cards for business and personal use. If you accidentally make a business purchase with personal funds, record it as an owner's contribution to the business.

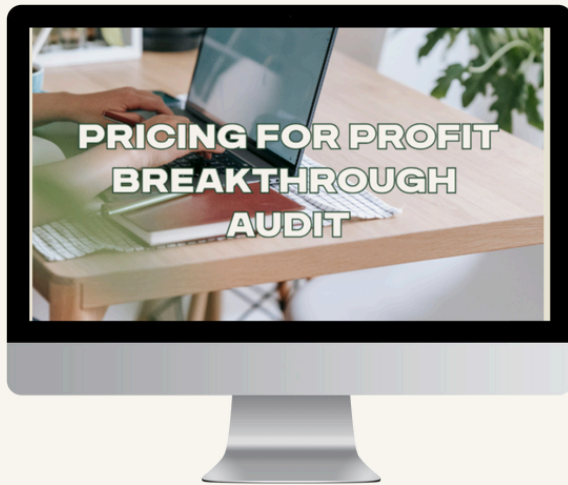
3) Not Backing Up Financial Data

- **The Pitfall:** In this digital age, data loss due to technical glitches, software errors, or unforeseen issues can be a devastating blow. Losing financial records can result in countless hours of reconstruction and potential financial discrepancies.
- **The Solution:** Regularly backup your financial data. If using cloud-based bookkeeping software, ensure it offers automatic backups. If not, consider manual backups to external drives or secure cloud storage solutions. It's always good to have multiple backup methods in place.

Navigating the realm of bookkeeping can sometimes feel like traversing a minefield, with potential pitfalls at every turn. However, by being aware of these common mistakes and implementing proactive measures, entrepreneurs can sidestep these hazards, ensuring their financial foundation remains robust and resilient. If ever in doubt, seeking expert advice can provide the guidance and clarity needed for success.

- Happy bookkeeping!

Next Steps...



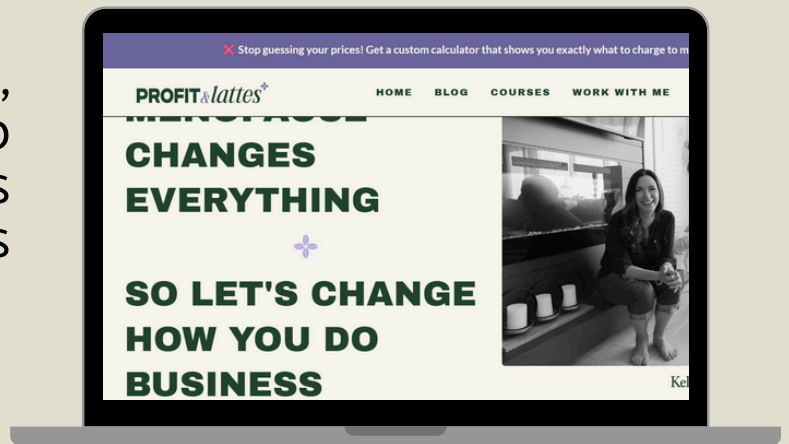
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Work with Me Privately

Whether it's your finances, your calendar, or your cortisol levels, I'm here to help you make sense of it all and build something sustainable on the other side.



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What They are Saying

"I immediately felt a connection with Kelly during our first coaching session. She is authentic and makes you feel comfortable opening up to her. She creates a safe space that is free from judgement. What I like most about working with Kelly, is how unapologetically human she is. I never feel like there is a hierarchy in the coaching relationship. She is true to who she is, nothing feels scripted or mundane. I look forward to continuing my sessions with Kelly, and as a woman entering menopause, I am excited about her menopause coaching!"

Mackenzie, Coaching Client



"Kelly's guidance has been a true game-changer.

She's helped me gain clarity and control over my finances, establish a solid budget and payment schedule, and even start paying myself consistently! We've also been strategically refining my pricing and laying the groundwork for future expansion. But beyond the financial support, Kelly provides invaluable emotional guidance too. As a female entrepreneur in my early 40s, Kelly has been a grounding force, reminding me that I'm not alone. It's been an incredibly positive experience."

Chantelle, Business Owner

"Working with Kelly has been nothing short of inspirational.

She shows true empathy when dealing with her clients and asked me the right questions to allow me to truly process where I was emotionally during our calls. She provided a safe space for me to release some of the stress I have been dealing with in my life. I highly recommend using Kelly as a coach both personally and professionally."

Nichole, Coaching Client



A note from me:

I built this business during menopause while working full-time and wondering if I was losing my mind. I navigated my way through the business chaos and hormonal hurricane and came out the other side determined to help other women do the same. Because burnout is not a business strategy. And success shouldn't come at the cost of your sanity. Let's figure this out together.

Kelly, "The Menopausal Entrepreneur", Founder, Profit & Lattes

