



DEBORAH MCLAIN C.P.B.

BOOKKEEPER COACHING



BOOKKEEPING

Like a Boss!

5 EASY STEPS



TO GROW YOUR BUSINESS OR ADVANCE YOUR CAREER





5

Ways to

UNDERSTANDING BOOKKEEPING

Bookkeeping is a rapidly increasing profession. Whether you are considering about becoming a remote bookkeeper as a business or working remotely for an employee, it's very important to know and understand the foundations behind the accounting process.

If you are an entrepreneur, it is of utmost importance that you understand and master these principles even if you have your own bookkeeper. Interpreting the income statement or profit-and-loss report is beneficial to operating your business running successfully.

Have you ever thought, "If only I could become an expert bookkeeper?" If so, this might be the most important report you read all year. Here's why...

HAVE YOU EVER SAID ANY OF THESE THINGS?

- I don't know how to interpret financial statements...
- I don't know how to enter journal entries...
- I don't want to be audited by the IRS...
- I don't know how to find and correct accounting errors

If you can relate to any of that, then this special report is going to be life-changing for you.

WHAT YOU'RE GOING TO GET...

In this report, you are going to discover the top 5 ways to get clarity in bookkeeping fast!

Before I unpack the specifics, I want you to consider for a moment the results of doing nothing. Ignoring a problem doesn't make it go away. It makes the problem worse!

How bad could it get? Well, if you ignore the financial health of your business, these are the long-term results you are very likely to get:

- You could become audited for tax fraud or evasion
- Pay an exponential amount for an accountant to fix your errors
- Watch your business fail because of bad financial choices
- Lose your job.

WHY SHOULD YOU LISTEN TO ME?

I am a certified public bookkeeper and a QuickBooks Pro Advisor. I have been doing bookkeeping for over twenty years. During that time, I noticed business owners struggle as they tried to understand the finances of their business. I knew that 65% of entrepreneurs fail because they do not manage their finances properly. My desire to help people succeed gave me the passion to instruct others how to analyze and enter their business transaction.

Now let's look at the top 5 ways to gain confidence in bookkeeping. If you will apply these specific steps, you will soon be empowered and confident.



01 BOOKKEEPING IS NOT INTIMIDATING

John is a new inventor consumed with the idea of his new creation, but his opinion of record keeping was a box of receipts. He felt confused and uncertain because he didn't have financial statements until the end of the year. When I met John, he was at the end of his rope and assumed the only way to solve his dilemma was to pay someone else to manage his financial journals.

In talking to John, I discovered that his primary hindrance was over-thinking record keeping standards. He assumed he needed a degree in accounting in order to maintain his own records. I made three simple recommendations. Start by keeping a journal of all the money he had spent on his invention, keeping receipts for review. I also instructed him to keep his business finances separate from his personal records and taught him how to create both a Balance Sheet report and an Income Statement (Profit and Loss) report so he could see the financial health of his business. John implemented the plan and now John feels confident and has presented his financial reports to investors and receive additional funding to make his ideas work.

The Asset, Liability and Equity accounts make up the Balance Sheet. The balance sheet accounts are continually running, meaning the balances carry over year after year from the start of the business to the current date. When a Balance sheet is created, the overall health of the business is reported based on the date in which the report was generated. Financial statement or (Profit and Loss) accounts are the accounts which make up the Profit and Loss Reports. Unlike the balance sheet accounts, the revenue and expenses accounts start fresh each year. The Profit and Loss Report shows the net profit or net loss or the business for the year, or a particular period.

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02 DON'T BE ASHAMED IF YOU NEED HELP

When I met Katrina, she was performing as a bookkeeper, but she was secretly hoping that no one would notice her as a fraud. The problem was she enjoyed doing bookkeeping, but wasn't fully trained in that field. She had accepted the position years ago because it intrigued her, not because she had the education.

Katrina almost did not reach out to me because she was afraid of exposing her lack of understanding. I taught Katrina about the accounting golden rule. And explained to her the importance of understanding the different accounts in the chart of account and how they worked together. She understood what the balance sheet accounts were and what the income statement accounts were. I taught her to analyze each transaction and to make sure that assets always equaled liabilities and equity. The more we worked together, the more confident she became and rapidly excelled at her profession as a bookkeeper.

Don't think of debits or credits as an evil thing. It is simply the definition of which part of the account it occurs. Debits are the right side of a journal entry and credits are listed on the left side.

It's important to learn where the natural balance lies in the different accounts' other words, if a debit increases an account, we consider the account to have a natural debit balance.

- Assets increase with a debit—it is a natural debit account
- Liabilities increase with a credit—it's a natural credit account
- Equity increases with a credit—it's a natural credit account
- Revenue increases with a credit—it's a natural credit balance
- Expenses increase with a debit—it's a natural debit account





03 LEARN THE IMPORTANCE OF RECORDING EVERY TRANSACTION.

When I met Greg, he had strong entrepreneur skills and was a great home builder. The problem was he didn't know about his financial health. He felt like he was losing money on the sales of the houses he renovated. I connected with Greg, where I helped him understand the importance of job costing and taught him how to track his expenses per job. I showed him that every business transaction is important. Paying for items with cash from your pocket and not recording them is essentially like throwing money away.

Greg almost didn't reach out to me because he was embarrassed by his record keeping. In talking to Greg, I discovered that his top constraint was previous errors in his bookkeeping records and his habit of purchasing items with cash. I offered to correct the common accounting errors and coach his staff in proper bookkeeping, while he stopped spending cash on business purchases. The results were outstanding. His business grew rapidly. He needed to hire additional office staff and eventually needed to move to a larger, more prominent location to suit his fast-growing business needs.

04 UNDERSTAND THE CHART OF ACCOUNTS

Sarah came to me knowing that there were errors in her accounting records, but was nervous about making any journal entries to correct the errors. After meeting with her and talking about her errors, I realized she did not clearly understand how debits and credits worked in the chart of accounts.

Her insecurity was hindering her because she knew something was wrong. She just didn't understand why. I took the time to teach her which accounts in the Chart of Accounts had a normal debit balance, and which one had a normal credit balance I explained to her that the normal balance of the account would be the side that would increase should an entry be made to the account.

After I knew she understood the chart of accounts, I coached her through making the adjusting entry to correct her errors. Now, Sarah feels empowered by this knowledge and is doing closing entries with ease. She can also help her fellow co-workers should a question arise.

When you create a journal entry, the debits always equal the credits. You can have more than one debit or credit listed on a journal entry as long as the totals balance. For example, Let's say you go to the local office supply store. While you are there, you purchase paper for the printer and cleaning supplies for the break room. Upon checkout, a check is written. The journal entry would reflect two different debit accounts, (Office supplies and Cleaning Supplies), and only one credit would be recorded, (the check for the total amount spent).



05 UNDERSTAND HOW TO RECONCILE YOUR ACCOUNT

When I met Diane, she had trouble reconciling her statements. She felt overwhelmed and hopeless. Because her account showed she reconciled the check account, but the balance was over \$100,000 in the negative. I met Diane to help her identify her obstacle. Quickly I discovered she had reconciled the account, but later hid the account in her software and recreated it again. She had done this several times, thus creating the negative balance. I also noticed that she had multiple check accounts listed as subcategories in her chart of accounts, which was the reason for the confusion. Even though this was a difficult error to correct, we got it straightened out together.

I instructed her on the proper ways to reconcile a bank statement with the QuickBooks software. I taught her not to reconcile the account through the bank register by checking the box by the transaction. Instead, I coached her how to reconcile using the software reconciliation program. I also explained the importance of why it is important that one never creates subcategories under the checking account category of the chart of accounts.

If you want to gain confidence and clarity, follow these five steps. And if you want to get these results even faster, I invite you to book a free 1-on-1 Consultation Session with me.

On this fast-paced call, we'll look at your background, experience, and current situation, and we'll discuss the steps for you to gain clarity in the next 90 days. You'll leave the call feeling clear, confident, and excited about taking your career to the next level.

To schedule your free Consultation Session with me, [click here](#).

