



Admin Guru

Organizing the Finances

5 Simple Steps To Getting Your Business Finances In Order

1. **Create a business bank account** completely separate and independent from your personal/family account. Transactions associated with the business account must be *solely business related*.
2. **Buy yourself** an accordion folder, a binder with pocket folders, a bankers box, or filing cabinet. You must have some type of 'holder with dividers/folders' for all of your paperwork. As much as we want to save trees – the gov't wants us to leave a paper trail. You'll be glad you keep everything recorded and on file, if for some reason one day the taxman wants to do an audit.
3. **Create some repositories** and label some primary categories for the following:
 - Bank Statements and deposit slips if not in a deposit book (see fig. A)
 - Credit Card Statements and receipts from expenses paid for on credit
 - Telephone/Internet bills
 - Receipts paid by cheque (if you pay for things by cheque) Note: Remember to write the CHEQUE NUMBER and DATE the cheque was written on the receipt/invoice.
 - Cash Receipts (purchases made for with cash)
 - Billing Sales Invoices (Keeping these in an accounting program, or even just in a folder on your computer is also fine and do not necessarily have to be printed out. Back up regularly!)*

File only the expenses that pertain TO THE BUSINESS!! *Sounds pretty obvious, but this is no place for grocery, drugstore, or dental bills etc.*
4. **Carve out time weekly** (on your calendar – same day and time) and call it 'Money Attention'. At the allotted 'Money Attention' day, turn off email notifications, phone and any other external potential distractions. For good time management, set a timer for 20 mins. Input expenses into your accounting software** and file receipts and bills into their respective folders. Do any invoicing to customers that you've made note of during the week at this time. If time runs out at 20 mins, break for 5 mins, then give yourself another 20 mins and so on.
5. **Open your snail mail bills** as they come in and put in one pile or in your 'inbox' receptacle on a small, yet uncluttered area of your workspace. These bills and receipts are collected during the week and set aside to be dealt with on your 'Money Attention' day.

A note about HST – an optional step. HST– or harmonized sales tax, is a requirement for Ontario based businesses to charge and remit to the government - if the biz makes over 30k annually. If you have a bookkeeper, they will do this task for you. However, if you do not have somebody doing your books, and have an HST number, it's advised to remit it yourself quarterly. It's also advised to set aside any HST monies collected during the quarter as to not be short when it comes time to hand it over to the gov't. On this particular HST 'Money Attention' day, allow for extra time to take care of this task. Schedule it to be done the second or third week after the quarter has ended -- up until the last day of the

month. You must remit within 30 days after the last quarter. For example if your quarter ends on Sept 30, you have until Oct 31st to remit. Don't leave it until the last minute! It will cause unnecessary stress. Pick a 'Money Attention' day and set the timer! Once you've remitted your HST, take all of the paperwork from that quarter – as not to mix with the new quarter's paperwork, and file away in a new location labeled with the name of the quarter and year (manila envelopes work nicely here).

* If you have a bookkeeper, you can send these invoices via **Dropbox** unless otherwise requested.

** If you have a bookkeeper, simply file your receipts to clear out the 'in' box on your workspace.

Some very user friendly and free accounting software that I use is called **WAVE accounting**. I'm not an affiliate; I just like the software and find it easy to use!

Fig. A

NAME OF ACCOUNT Centre for Art & Soul		Canada Trust BUSINESS ACCOUNT DEPOSIT SLIP			
DATE 15-Aug-13	BRANCH NO. 1640	ACCOUNT NO. 6907534	CREDIT Centre for Art & Soul		
LIST OF CHEQUES PLEASE LIST FOREIGN CHEQUES ON SEPARATE DEPOSIT SLIP		BRANCH NO. 1640	ACCOUNT NO. 6907534		
CHEQUE IDENTIFICATION	AMOUNT	DATE 15-Aug-13	INITIALS DEPOSITORS TELERS		
1 Good Food and Care	\$271.20	CASH COUNT	AMOUNT		
2 Parkdale PS Childcare	\$678.00			X 5	
3 Chartwell	\$203.40			X 10	
4				X 20	
5				X 50	
6				X 100	
7				X \$ 1 COIN	
8				X \$ 2 COIN	
9				COIN	
10				CASH SUBTOTAL	
11				DEPOSIT	
12				CASH SUBTOTAL	
13				CHEQUE SUBTOTAL	\$1,152.60
14				U.S. CASH	
15				RATE	
CHEQUE SUBTOTAL	\$1,152.60	U.S. CHQS.			
TOTAL # OF CHEQUES	3	RATE			
		TOTAL DEPOSIT	\$1,152.60		
<input type="button" value="Clear All Fields"/>		<input type="button" value="PRINT"/>			

