



**RE Consulting**

*Plan, Organize, Consult & Train to Succeed*



## TOP 10 ACCOUNTING & BOOKKEEPING BEST PRACTICES, BY GISELE DOUCET

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1. Limit the number of payment method used to pay for business related expenses. Use one credit card (additional supplementary cards are usually available) and one bank account. Avoid using personal credit cards or Cash (it's tough to track and you may forget legitimate business expenses).
2. Separate business and personal expenses. Do not pay for personal expenses using business credit cards or business bank accounts.
3. Develop a billing and collection process for your business and stick to it. Send invoices regularly (daily, weekly, semi-monthly, monthly) and collect.
4. Manage your numbers! Hire a Bookkeeper or make sure to record your business transactions regularly. Do not wait until you file your income tax! Know your numbers!
5. Find out what corporate structure is appropriate for your business and personal circumstances. The goal is to minimize overall income tax paid. You will pay taxes, make sure you don't pay more than you have to. Ask the experts! This topic is complex!
6. Keep your receipts and implement a filing system that makes it easy to find them should you or anyone need to. It should take no more than 5 minutes to find documents. Investigate the possibility of electronic document storage.
7. Avoid penalties and high interest rates. File and pay your taxes (GST, EHT, corporate taxes and source deductions on time. There is so much more you can do with your money. Grow your business!
8. Manage your cash flow. Pay tax installments from day one in business. I run into this all the time, small businesses are shocked by their large tax bill at the end of the year. CRA will forces installments after a certain amount of time, but initially it doesn't and that can have a large impact on a small business.
9. Always be professional. Prepare your financial records as if you're meeting your banker or investors or CRA regularly (monthly or quarterly). Set up an advisory committee to present to. This will help stay on top of your accounting records.
10. Use an Accounting Computer Program to do your bookkeeping. For under \$500.00 you can get a powerful and professional off the shelf software (QuickBooks or Simply Accounting). You are sure to save time and money in the long run!