PROFITS DRIVEN

HOW TO BOOST YOUR PROFITS BY BEING THE CFO OF YOUR BUSINESS, EVEN IF YOU DO NOT UNDERSTAND ACCOUNTING

Brad Filmanowicz, CPA, MBA, EA

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Foreword

Congratulations, you have made the right decision. I am going to share with you what I have learned over the last 25 years of working as a CPA and as a financial analyst of a Fortune 500 company. What I am going to share with you is the secrets of my most successful clients and how to implement large company finance techniques into your small business. And you do not need to have an accounting degree to use these techniques or any accounting experience. As a matter of fact if you have no clue on how accounting works, no worries, you will learn how to use your financial statements and information your accountant gives you better than your accountant/CPA knows how to.

Most small business owners do not understand how accounting or finance works. They definitely do not know how to use accounting as a tool to control expenses, to have a handle on their finances, or to even grow their sales. However, by the end of this book you will know what the most successful business owners do to control their company finances and be Profits Driven.

My name is Bradford Filmanowicz, CPA, MBA, EA. I have been doing small business accounting for over 20 years. I am going to show you what your accountant/CPA never told you or how to do. Not only do I do accounting and business tax returns, I help the business owner that wants to make a lot of money. I show them how to or implement financial analyst techniques that build their financial foundation for their company and give them the road map they need to take their business to the next level.

What I am going to show you and explain to you is actually very easy to do. Once you have these systems in place they take as little as 10 minutes a week to do. This book will show you how to have your finger on the pulse of your business finances.

This book is not like any other business book you have ever purchased. It does not contain fluff or filler. This is a very short book and could be read in a couple of hours. There is only 81 pages of material in this book and it is written more as a how to manual than a book.

This is going to be the most import book on small business finance you ever read. Again congratulations, enjoy the read and feel free to reach out to me if you have questions or need help.

Chapter 1

The Difference.

Before we go any further, let me make this perfectly clear. This book is not a get rich quick scheme, nor is it a book designed to teach you accounting. This book is written to show you how to use accounting and finance in your business. I mean something completely different than doing accounting. This book is designed to teach you how to read financial statements and how to implement Fortune 500 Financial Analyst techniques into your small business. The sole aim of this book is for you to learn to use your numbers to be Profits Driven.

Here's the deal, the systems I outline in this book are working perfectly for me, because it is what my most successful clients do, and I strongly believe it will help you greatly.

Listen, I am not suggesting that this book will fix every business. Some people I cannot help. It is likely that most people who read this book will not follow the directions, implement the systems, and not get the message of the material. You have to follow the directions and take action. Once you set these techniques up, this could take as little as 10 minutes a week of your time. This is very important and should not be delegated off to someone else. This is the work of the owners and the owners only, even if you have a CFO, you must review your general ledger, weekly.

So this material is for the business owner who is serious about getting ahold of their finances and controlling their business; and not the business controlling the owner. If you want to be free from your business, here are the financial techniques that will allow you to run your business from an armchair.

Chapter 2

Stories and Evidence.

Sales are Vanity, and Net income is Sanity.

I have been doing business for a long time, the first few years of being in business were not that successful. I worked an enormous amount of hours, did not make very much money, despite the stress and time spent. I know what you are thinking, but Brad you have a Master's Degree in Finance, and you are a CPA how could you not have done well right out of the box. This has a simple answer because I thought I knew more than everyone. And guess what? I was wrong. So even, most accountants are not aware of this material or how they should implement it into their own business.

So what changed? How did I go from a struggling business owner to being successful and earning a good living? I simply opened my mind, I opened myself to criticism, and I asked my most successful clients what they do. I'd ask them, what is it that makes your business successful? So, what made the difference was being open to new ideas and criticism. Then, I made a great decision, and I hired consultants. And I still hire consultants and you will find most very successful people hire consultants or coaches to help them. I have a client that is a success coach to A-list athletes and movie stars. Everyone knows his clients. The point is even the most successful, need help or guidance.

When we start a business, we are generally excellent at the product or service we provide. But we do not know the difference between a provider of the service or product to owning and operating a business that provides a product or service. Owning and operating a business requires it's own sets of skills. These skills are very different than providing the product or service. However, these skills are universal in owning a business.

Now, I only handle business clients, and I turn away calls that want me just to do an individual income tax returns. Why, because this is how I have the lifestyle I want. Been successfully married for over 20 years with two teenage daughters.. So I only want work 30 hours a week from May 15th through January 15th. From January 15th to February 1st, I typically only work 40 hours. I will work between 50 and 55 hours a week from February 1st through April 15th, then forty hours till May 15th, then back to 30 hours a week. And during my busiest season, I will sneak off and go a trip for a few days.

Don is my wealthiest client. Don owns a small truck dealership and repair shop. He sells new and used cube vans and work trucks and has a repair shop to work on these vehicles. He is a self-made multi-millionaire. He is the typical story you hear about. I mean, he is the guy that never went to college, he didn't even graduate from High School. He went into the army and worked in the army's motor pool and learned how to repair cars and trucks. Because he is motivated, soon he was running the army's repair shop. He just worked hard and liked to figure out how things worked.

His company does between 8 and 12 million dollars a year, and he consistently nets seven figures. He is not flashy, I have personally seen him work on a truck and get his hands dirty. He typically drives an average pick-up truck, not fancy pick up, just equipped with mostly the basics. His pick-up does not have fancy leather seats or sunroof or even a fancy appearance package.

So what makes Don so successful? What is his ONE thing? He is profit driven and not sales driven. The mistake most entrepreneurs make is they are sales driven. A friend once told me sales are vanity and net income is sanity. Don never studied accounting, and he never picked up an accounting book. However, Don knows how to use his accounting to drive his profits. Here is what he does. This is how Don achieves his "ONE THING!" Don simply reviews his general ledger report once a week. That is it, and he swears by it. By reviewing his company's general ledger report weekly, he knows every transaction in his business for that week. He knows how much money came in, how much was deposited at the bank, he knows what his sales were, and most importantly, he knows his expenses. Don knows everything that went on in his business for the week!

I remember a conversation I had with him a few years back. It went like this. He says, "Hey Brad, do you use Stamps.com or Pitney Bowes? I just saved $100 a month by going with stamps.com and getting rid of Pitney Bowes. The point was, even a guy worth over 20 million dollars is focused on the small money decisions. He is focused on saving money. He stuck with this old DOS software packaged for years, why because he did not want to pay for the upgrade. The software company finally forced him to switch over, but it had taken like 5 years before they twisted his arm hard enough, and this was only a few years ago. So he still used the old DOS system to about 2012.

So, Don is profits driven by controlling his costs. And he controls his costs by reviewing the company's general ledger report, weekly.

Dr. Jeff is a chiropractor who had two locations. He was in his mid-thirties, and he was struggling. He was earning between 80,000 and 150,000 per year. However, he had acquired a lot of debt, to fund the working capital issues of his business. Most of the small businesses get their capital from credit card advances, and this is the easiest way for them to acquire funds.. Sometimes, you need to get cash fast to cover this coming Friday's payroll or the payroll tax deposits due on the 15th. It is very common practice for a small business owner to use credit card advances and bank loans to get the capital they need to fund the cash flow of the business. Fortunately, Dr. Jeff is a very forward thinker who always reaches out to find new ideas or solutions. He was a large Brian Tracy fan and would purchase all of Brian Tracy's products and consulting. He would also go to Brian Tracy's live seminars and meet with him personally. Being a forward thinker, Dr. Jeff made a smart decision and he outsourced his accounting and finance department to us. We would process his payables, create budgets, review his general ledger weekly, and do a weekly budget to actual comparison and analyses for him.

Also, he had a very sophisticated and very well done marketing and sales program. He would use high profile local athletes, mostly ex-professional football players, to marketing his back pain solutions. He was spending 20-40 thousand dollars a month on marketing and advertising. And he still was not doing well, financially.

One day about 8 months into my program and he called me. He says, "Brad, I have to cut my expenses, we are not making it". I told him, hey we are dead on with the expenses side of the budget. As a matter of fact out of a $2,000,000 expense budget we were only over by $743.00. Your problem is not expenses, but you are way off on revenue. He said how could that be, I am spending a fortune on marketing and advertising. So, I went out to see him to go over his situation. While we were talking, we realized he was losing appointments. He was getting the right number of patients in the door, but they were not staying for the duration of his program. His program called for 28 patient sessions or treatments. We determined the average patient was falling off between 12 and 14 treatments. So, he needed to put together a system for his staff to follow up on patient cancellations. So, this is what he did. He put together a system to follow up on patients if they missed or cancelled an appointment. The net result was huge for him. He went from 100k in net income to over 7 figures in 12 months. Then he doubled his income the very next year.

What was Dr. Jeff's, ONE THING? Patient visits, getting the patient to do 28 sessions. However, what discovered his "ONE THING", Budget comparison analyses. Well, he actually paid me to review his general ledger and analyze his budgets which are technically two things. But the point is, he got the results by reviewing the general ledger and doing budget comparison analyses. Comparing his goals to his actual results and looking for what was not working. Budgets are simply financial goals, just in more detail. By comparing his actual results to his goals/budget, he found what his real problem was and most importantly not what he thought his problem was. He thought his real problem was expenses. Our gut is right, there is a problem, but our gut is often wrong on what we think the problem is, numbers do not lie.

We got his business model down to one simple formula. His formula is acquiring patients and having them do 28 sessions. With his current cost structure, that took him from 100k to over 1,000,000 in net income in twelve months. We got there by me reviewing his general ledger once a week, and comparing his results to his budget, and investigating what is not working. These are the tools i am going to be teaching you on how to use and how to implement.

Reviewing the general ledger for a company doing 2-3 million dollars annually in sales is about 10-15 minutes per week of work. That is not much time to spend on your company finances.

Doing this simple task once a week will give you the financial insight to your business. You will know what is going on in your business, plain and simple.

In both Dr. Jeff and Don's cases, the situations are a little different. And both of them are completely different types of people. One is very educated and the other, the school of hard knocks. Though, they have one thing in common which is knowing the importance of understanding their company finances. This is why they make the 7 figure net incomes. Do not get me wrong sales are highly significant, but net income is the true winner. The one thing, they did that most entrepreneurs do not do, they reviewed their general ledger. The one thing my most successful clients do, the ones that have real wealth, they make the time to review the general ledger weekly.

Chapter 3

The Overview

How would you like to have a handle on your company's finances? How would you like to know what your accountant is not telling you? How would you like to know what your accounting is telling you? How would you like to know what the real problems your company has, not the ones you think are? We all know the solutions to the problems, and the real issue is most business owners do not know what the real problems are. They only have a hunch what is wrong, but they are addressing the wrong thing, and year after year, they are still in the same situation.

Having your finger on the pulse of your company finances are as simple as reviewing your general ledger weekly.

You can do this one of two ways, do it yourself, which is about 10-15 minutes per week on average. This book will teach you these techniques, and our online course will show you how to do it. Some people are fine with our book, but some are more visual and like the videos of our online course. Or you can hire someone like us to review your general ledger for you. But I do not recommend hiring just a local accountant. You need someone with financial analysis skills.

I believe if I make this material as visual as possible, it will become much easier to learn. The problem with teaching this type of material is difficult to explain without you seeing how it works. I am going to have a lots of screen shots coming in the next chapters. However, we are still limited by the media in a book. So we do also offer an online video series that helps to add video and audio to the material. Accounting and finance are much easier to grasp if you see how it works. And a book is not the best media to make this visual.

Our objective is to make this material as visual as possible

Here is what you get from our book and/or our online course.

- You get over 2 hours of video content that walks you through step by step on how you can get control of your finances. (Online Class only)
- You will learn how to use accounting to drive your profits.

    - How to identify waste.
    - Where to cut unnecessary expenses.
- We show you how accounting works. We take a visual approach to see how accounting functions. This is not how any textbook will teach you. Accounting is very easy to understand once you get how it works. The problem is it is being taught wrong. Learning accounting is like watching paint dry. But the mechanics of accounting are not boring or hard, so if you see how it works, it will make understanding it easy.
- We will start with the very basics of the "5 Buckets of Accounting". Here is why accounting is actually a simple thing. There is only 5 types of transactions. Yes only 5 classifications, every accounting transaction has to fit into only 5 categories.
- The general ledger report is the holy grail of accounting reports that you need to learn how to use. This report will show you where all of your money went. This basic and very simple to use report will only take you minutes to review per week and will tell you more about your business than anything else.
- You will learn how to put your Profit & Loss statement for a given period of time, month by month right next to each other in QuickBooks so you can see trends you would otherwise miss. How using this awesome tool will help you save money and identify trends and/or problems right away.
- Budgeting is your financial goals written as a road map, not a boring report.
- Budgeting is a not a once, and you're done. It is a process. You will learn how to use this tool to make exceeding income.
- Learn what your accountant is not telling you.
- Learn why being Sales Driven only will never get you to where you want to be.

Bonus

- Learn how to identify the Key Performance Indicators in your industry. Learn how to use KPI's to increase the efficiency of your operations and improve profitability.
- Benchmarking. Learn how to compare your financial numbers to your industry. See how you compare and what you should be working to improve.
- You will learn how to calculate breakeven point and see how the breakeven point changes every

The 5 Buckets of Accounting.

Accounting is one of those subjects which is much harder to learn and understand than it is to do. I mean, once you understand accounting it is really quite easy to do. The reason why accounting is pretty easy is because, for every transaction, there are only 5 categories to choose from. So once you understand the 5 types of accounting accounts, then everything, and I mean everything has to fit into one of the 5 types of accounts. So from a very basic level, you only need to know which categories the transaction is and put it in one of the 5 slots.

30,000 Feet the Visualization of Accounting.

Here is what I call accounting at 30,000 feet. This is where we will show you accounting from a visual perspective. When you learn accounting in school, they teach you from textbooks. You read these books, and you go learn how to make journal entries, but you really don't ever get to see how it works. If you ever went out and bought an accounting book. It explains the theory of accounting. It shows you how to do journal entries but they don't actually show it to you from a visual perspective and that's what I to do here.

I think once you see how the whole thing works, it's going to be, "Ah, it's not as hard as I expected it was going to be," because the reality is that there are only five buckets. There are only five things you need to know. Assets, liabilities, equity, revenue, and expense. Everything has to fit into those five categories, so once you start looking at it from that aspect, it's really not as complicated as you think. Let's show it to you so you can see it from the upper level.

We are going to walk through some accounting transactions so you can see how this works. We will start from the source of the transaction and post it. Then we will zoom back so you can see how this transaction appears in the General Ledger. Next, we will then go to the financial statement that is impacted. So for example, after we post a transaction we will go to the Profit and Loss Statement or Balance Sheet so you can see how it was impacted. So you get the visual picture of cause and effect. Seeing it will help you make sense of it.

The General Ledger:

This report is the primary report you must learn and review on a weekly basis. It is the Holy Grail of mastering your company's finances. This is a very easy report to learn and understand. The General Ledger is simply a list of every transaction in your company by account and date. Any accounting software will generate this report. It is the report your accountant would review to determine if all of your accounting transactions are recorded accurately.

Reviewing this report doesn't take much time. For most small companies this will only take you about 10 minutes a week to review. If you take the time to do this weekly exercise, you will know everything that is going on in your business.

The report starts with your cash accounts and follows your chart of accounts order. It simply lists all the debits and credits in an account by chronological order and then seamlessly moves to the next account. Software like QuickBooks will allow you to click on a particular transaction and bring it back to the original transaction so you can see all of the detail of that transaction.

Budgets

You are going to learn how to make budgets fast and without a lot of effort. You will learn budgeting is a tool and process that is on-going. You will learn how to use budgets to increase your profits.

Most business owners do not know how to use budgets. Typically business owners think a budget is something you do once and then put into a drawer. Well, that is not what they are for. Budgets are a road map to your financial goals.

Here is how large companies use budgets. They create a budget and then provide the earnings estimates to the financial analysts and stock brokers. Then the company's management is responsible for reaching those goals. We have all seen the financial news when a company misses their quarterly earnings, and the company stock gets crushed. It can appear odd if company misses earnings by a dime and the stock gets crushed. We will explain why this happens. The company creates the budget and the shareholders hold the management responsible for making it happen. So then companies then hire internal financial analysts to analyze their actual results to their budget. Their job is to investigate the variances between the actual results and the budget goals. They have to find out why there is a difference. They have to know what is causing the variance. Then the financial analyst brings the data to the management team and management is responsible for fixing what went wrong. So this is why when a company misses earnings the stock gets crushed. Management is expected to make the earnings projections happen, and when they do not, the investors interpret it as they are not fixing the issues.

When I was at Sara Lee, my job was to create the budgets for one of their subsidiaries. This subsidiary was just over a 90 million dollar company. I would create 7 or 8 budgets per year for them and then compare the actual results to the budgets and prior year. The first budget was called the AOP, which stood for Annual Operating Plan. So I would create the AOP in October for the coming calendar year. The problem you have when creating the AOP or a budget is that it is created on your assumptions or your best educated guesses. Well no matter how good you are, no one can predict the future with any accuracy. So, as soon as your budget is done and printed, it is obsolete. However, the financial goals are not obsolete, and you have to make them happen. So after the 1st month of the budget when compared to the actuals, somethings are going to be different. You need to investigate what did not go as planned. So you will have to examine the current market conditions and determine the changes you need to make in your budget, in order to get to your net income goal. So you will have to examine the current market conditions and determine the changes you need to make in your budget to get to your net income goal. For example, your sales could be lower than you budgeted, or maybe your cost of goods sold was higher than you planned, which lowered your gross margin. The point is you have to adjust your budget going forward to adapt to the current market conditions. You will have to make changes to the budget in order to make your quarterly net income goal. Your goals do not change, or I should say should not change. You will need to change your budget to get back on track to your original goal.

So a budget is simply a roadmap of your financial goals, and the primary objective of this roadmap is so you could end at your financial goals. So you need to analyze what went right and what went wrong and redraw your route on the map, so you end up where you want to be. So budgeting is not a one and done, but it is an on-going process.

Now, this might sound like a lot of work, well it is not that much work; once you know the short cuts. With today's off the shelf accounting software like a QuickBooks, this can easily be done, and once you know a few tricks, you can create a budget rather simply.

QuickBooks has a budget template which you can enter the data in month by month or you can make QuickBooks populate the budget with last year's data. Populating the data with last year's data is an excellent way to create a budget fast, and that is a pretty accurate starting point. Then you can go back into the budget template and adjust it. Even better, you can create the budget off of last year's data and then export it to a spreadsheet and tweak it there. Then once you are done making your changes to it, you can then enter your changes into the QuickBooks budget template.

The reason you want to have the budget data in QuickBooks is that QuickBooks has great reporting functions. It can create budget comparison reports with a couple of mouse clicks. This is a very powerful tool and it is already built into QuickBooks. One great function of the software is that it has a feature of a magnifying glass. The mouse pointer changes from an arrow to a magnifying glass when the mouse cursor travels over a number. When the cursor changes to a magnifying glass, you can then click on that particular number, and it will zoom to the detail of the number and often to the source of the transaction. This gives you much more information, like the vendor, the detail that adds up to the amount, and other descriptions. This is a great feature that allows you to zoom to the detail of the actual data. For example, if office supplies were budgeted at $1,000 for the month and you spent $1200. You can click on the $1200 and see the details that add up to that number. This is a very powerful feature, and you have financial analyzes at your fingertips. Having the ability to do this is so powerful, very fast way of getting information, and inexpensive.

QuickBooks also allows you to do Profit and Loss Comparisons with the prior year data. This is a very nice Report/feature because you do not have to do all of the set up work as required in a budget. I use this report a lot, especially during my busy tax season. It allows me to see the revenue of the current week compared to the same week last year. I can then click to see which clients I did last year and it helps me plan the week, and it is my goal to out-perform the prior year. The report is called “Profit & Loss Prev Year Comparison”. This is a very powerful tool for you to analyze your business compared to the prior year, super cool.

Key Performance Indicators.

Large companies higher teams of financial analysts to study and analyze their companies. These financial analysts are constantly reviewing all of the financial aspects of their businesses. They are always looking at the profitability of every aspect of their business. You most likely do not have that much time and your company is probably not large enough to hire a team of them. The good news is your company really only needs to track and manage a few Key Performance Indicators(KPI’s). A Key Performance Indicator(KPI) is a performance measurement. KPI’s evaluate an activity in which an organization engages. Most KPIs are very easy to obtain and track.

The Break-even point.

The break-even point of a company changes every month and the change could be dramatic. There are several components in the break-even point and a small change in one of the components could have an enormous impact in the actual break-even point. We will show how this changes and the impacts when we set up this formula in a Profit & Loss side by side spreadsheet.

Chapter 4

The 5 Buckets of Accounting.

The 5 Buckets of accounting is a very basic overview designed to show the simplicity of accounting.

The first thing you want to remember is that there are only five buckets in accounting. Okay? Now what I mean by that is that there is only five categories and they are assets, liabilities, equity, revenue, and expenses. All of your transactions have to fit into one of those five. Well actually, two of the five because it's double entry accounting, so for every transaction, you have two sides. But, there are only five buckets to choose from. So everything has to fit in these five. And it's not any more complicated than that. So once you understand these five and how they relate, you could be a CPA. I mean seriously, it is this easy. Accounting is the most misunderstood, easiest thing in the world. It's the greatest scam accountants have portrayed on people because it's very difficult to learn and understand because it is taught wrong, but it is really this simple once you understand and do it. So it's one of those things that's hard to learn, but super easy to do.

We have all heard of these accounts:

Assets. Okay, again there are only five buckets. The first one is assets. We all know what these are, but here's the problem: I am going to read you this definition that I've found online, "Things that are resources owned by a company and which have a future economic value that can be measured and can't be expressed in dollars." This is why no one gets accounting. Come on! assets are simple; it's cash, investments, accounts receivables, money people owe you, inventory, pre-paid supplies, land, buildings, equipment and vehicles. Anything that has value is an asset. So we all really understand assets, but we don't get the legalized definitions. But it's really this simple, it's cash, it's your accounts receivable, inventory, pre-paid assets, and supplies, land, buildings, computers, microphones, mostly all hard stuff. Stuff that you have to go out and buy, touch, and that last many years when you use it. So again, assets are really this simple.

Liabilities. Little more complicated, because when you process these transactions, there's usually two things buried in there. One would be interest expense, and one would be principle. But beyond that, we all understand what a liability is. We owe money to somebody, right? And this definition is really not that bad, "A liability is a legally binding obligation, payable to another entity," or person, or something like that. So liabilities are loans and payables. It could be the payable tax deposits due on 15th, it could be the car loan you have, it could be the fact that you owe your vendors for the supplies and/or equipment you purchased, a bank loan. Again, we all pretty much understand what a liability is. It's when you owe money to somebody.

Equity. This one is probably the most confusing. I'll give you the definition I found online, "Owner's equity represents the owner's investment in the business, minus the owner's draws or withdrawals plus business net-income". Alright, so mathematically, equity is assets minus the amount of liabilities. The definition is not that bad. But is real terms equity works like this, it's basically your initial investment, any additional investment, plus any profits that the company earned, less anything you pulled out to pay yourself with. That is basically equity works. So it is the most confusing because it's basically more of an equation than a simple thing like a liability or an asset. But again, it's really as simple as your investment, plus all of your profits minus any withdrawals. You don't really need to use it a lot, you just need to understand it. The trickiest part is when you take money from your company that is not payroll. You will not reduce profit but you reduce your cash. That's the hardest part of equity, in understanding equity.

Revenue. We all understand sales and income. Here is the definition, "Fees earned from providing services and/or merchandise you've sold". One of the mistakes we see in recording revenue is your accountant would go and make your bank deposits as revenue. And if you deposit money from a bank, your savings, or credit card advance is put to revenue and not to a loan. This is caught by you reviewing your general ledger report. Again a common error is when you receive a loan, sometimes it gets classified as revenue. That's one thing you got to be careful about, but otherwise the definition itself, we all get that, that's probably the easiest one.

Expenses. The definition of an expense, "An expense in accounting, is money spent or cost incurred in an entity's efforts to generate revenue." We all understand expenses. It's utility bill, it's your rent payment, it's your phone bill, it is your office supplies. The cost you incur in order to do business and provide services or the goods that you are going to sell. It could be the shipping products or mailing a bill. Expenses do get a little tricky and it is easy to make mistakes when recording expenses. For example, it is a common error to record the purchase of an asset as an expense. For example, if you go out and purchase a car for the business and put $5,000 down on a car. That 5,000 is not an expense, it's an asset. Sometimes, when you go out and you buy a whole bunch of inventory, that's an asset, not an expense, it later becomes an expense, when you ship merchandise. But expenses, for the most part, are pretty simple, it's basically the cost incurred in business, rent, utility bills, phone bill, supplies, and cost of goods sold.

So, again, I'm not trying to oversimplify this, because it is this simple. There are only five categories that all of your transactions are going to fit into. That is really it. So, get to know these things. Get a feel for them. Go online and google them, get some examples. But for the most part, again, accounting is really this simple. Accounting transactions have to fit into five categories. Accounting is probably one of the most misunderstood, easiest things in the world. Once you kind of get the big picture of this, it's pretty basic and pretty simple. So hang in there.

Here is a chart on how the debit or credit impact a bucket.This shows if a bucket is increased or decrease when recorded as a debit or credit. This is probably the most difficult thing in accounting.

Bucket	Debit	Credit
Assets	Increase	Decrease
Liabilities	Decrease	Increase
Equity	Decrease	Increase
Revenue	Decrease	Increase
Expenses	Increase	Decrease

Chapter 5

Accounting from 30,000 Feet.

From 30,000 Feet the Visualization of Accounting.

Here is what I call accounting at 30,000 feet. It is actually going to be the visualization of accounting. When you learn accounting in school, they teach you these books. You read the books and you learn journal entries, but you really don't ever get to see how it works. If you bought an accounting book, It kind of goes over some theory It kind of goes over some theory. It shows you how to do journal entries but they don't show it to you from a visual perspective and that's what they to do here.

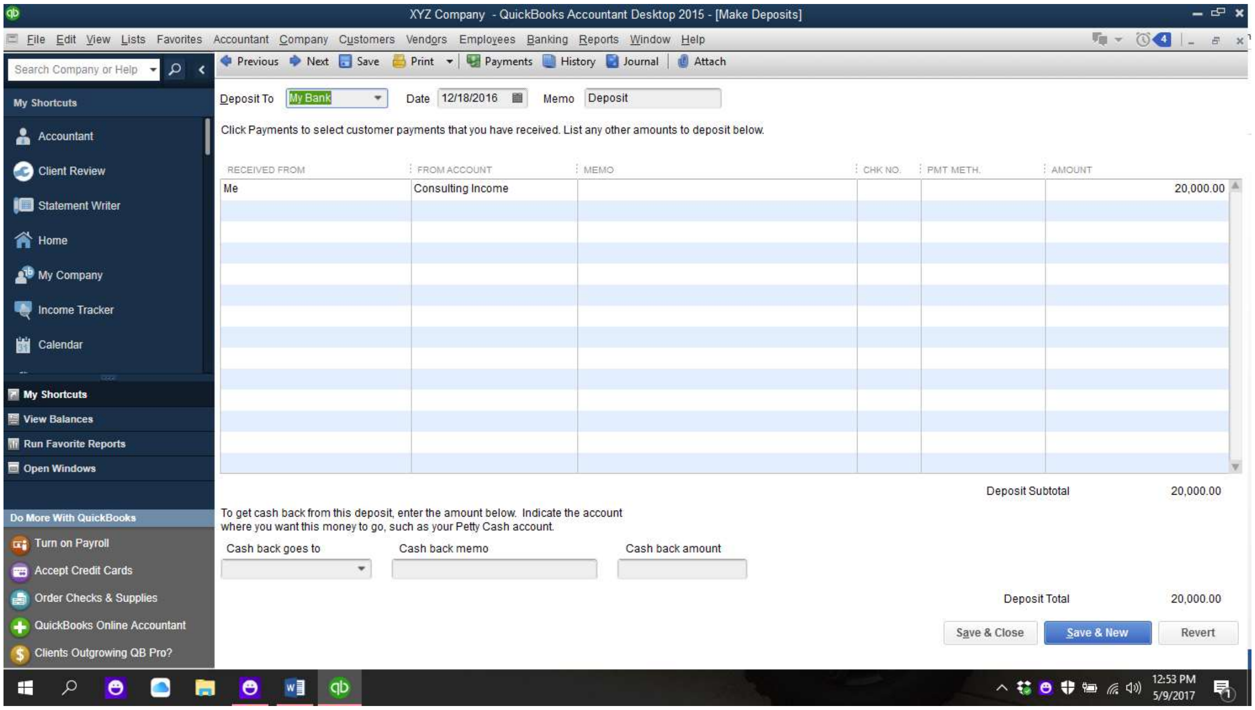
I think once you see how the whole thing works, it's going to be, "Ah, it's not as hard as i expected it was going to be," because the reality is that there are only five buckets. There are only five things you need to know. Assets, liabilities, equity, revenue, and expense. Everything has to fit into those five categories, so once you start looking at it from that aspect, it's really not as complicated as you think. Let's show it to you so you can see it from the upper level.

One important note, all of your accounting transactions will fit into these two reports the Profit and Loss and the Balance Sheet. For the balance sheet will only show Assets, Liabilities, and Equity transactions. The Profit and Loss will only show Revenue and Expenses transactions. One accounting transaction can have one side appearing on the profit and loss and the other side hitting the balance sheet. We will show you this in our examples.

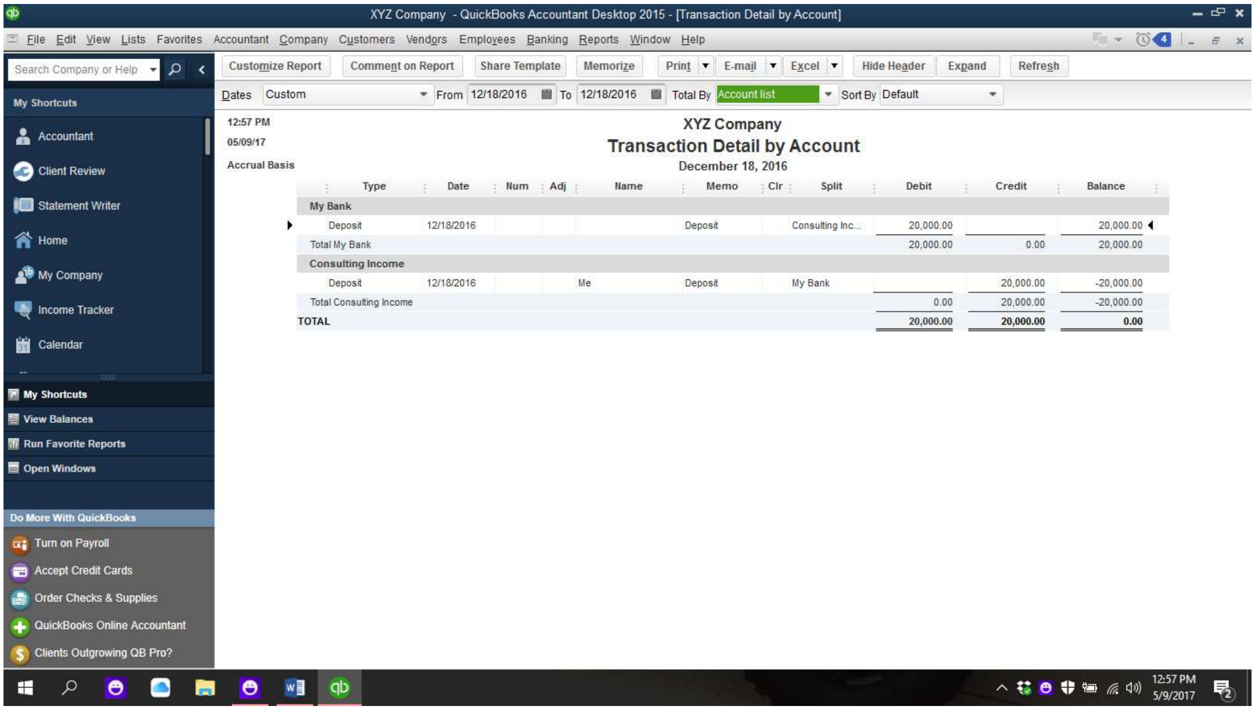
Once you see this visually you'll say, "Hey. This isn't as complicated as I thought. Alright, what we have here is a company I created, XYZ Company. It's in Quick Books 2015. There are no transactions in this file yet, so we're going to make them as we go along. The first thing I'm going to do is I'm going to create a report in here called, 'Transaction Detail by Account.' I'm going to customize this a little bit. We want you to see how the debits and credits appear. This report is very close to a General Ledger Report.

So the first thing we're going to do is, we're going to record a sale. We're going to make a deposit and we received from our customer which is “me”. It's going to hit the revenue account as consulting income for $20,000 and at the same time $20,000 going to your bank account. You have one transaction with 2 sides, and you are about to see how it works.

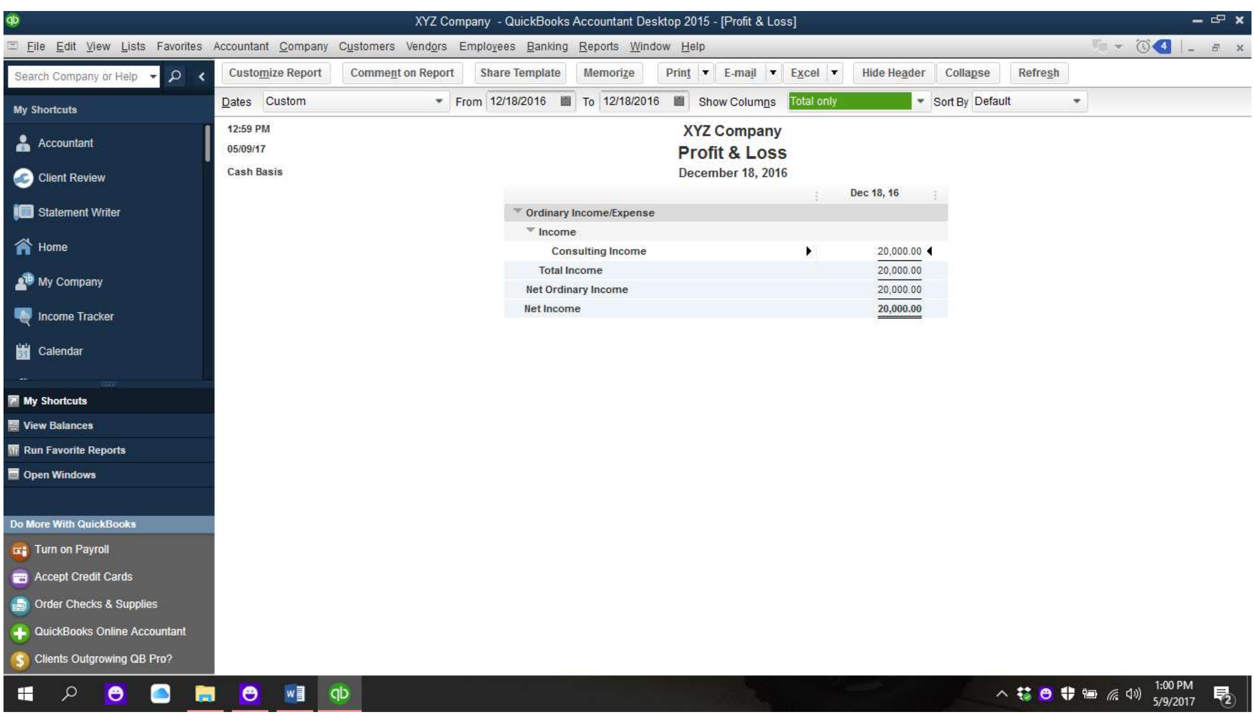
Here is the deposit:



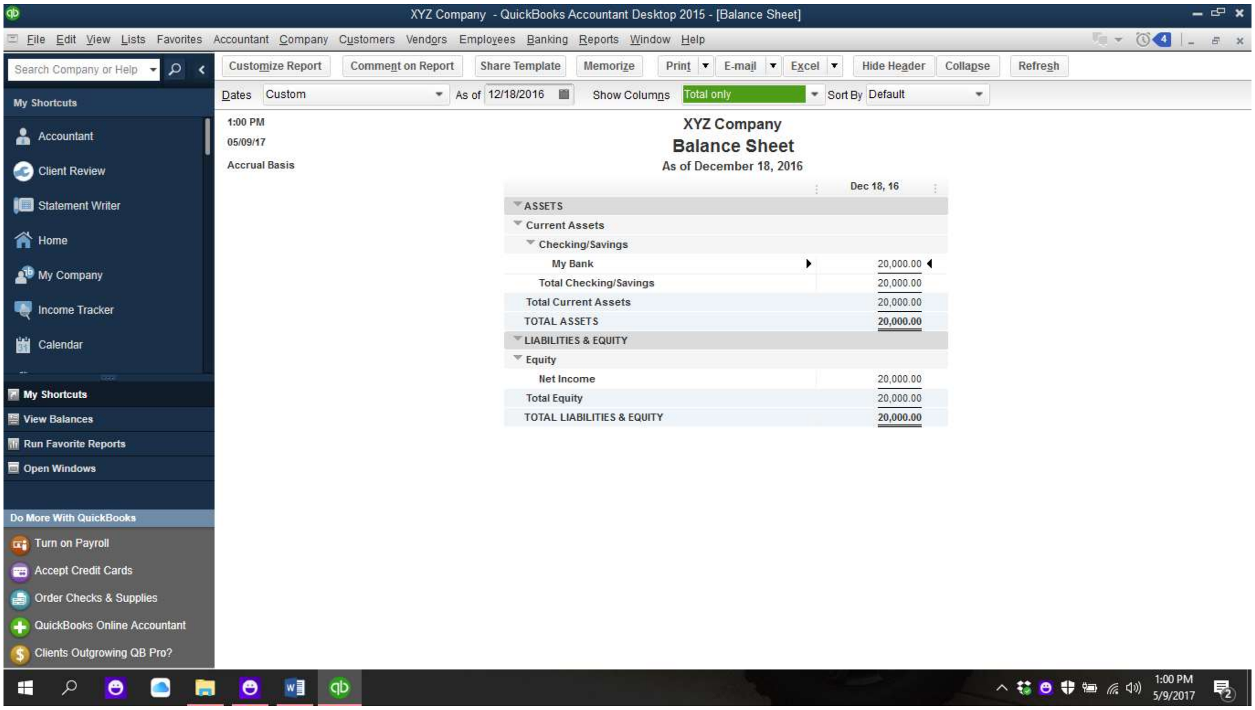
So we made a $20,000 deposit. Now I create a report which shows you both sides of the transaction. Below, is the transaction detailed by account report/general ledger report. You can see there's a deposit to the bank, $20,000. You can see the income is $20,000.



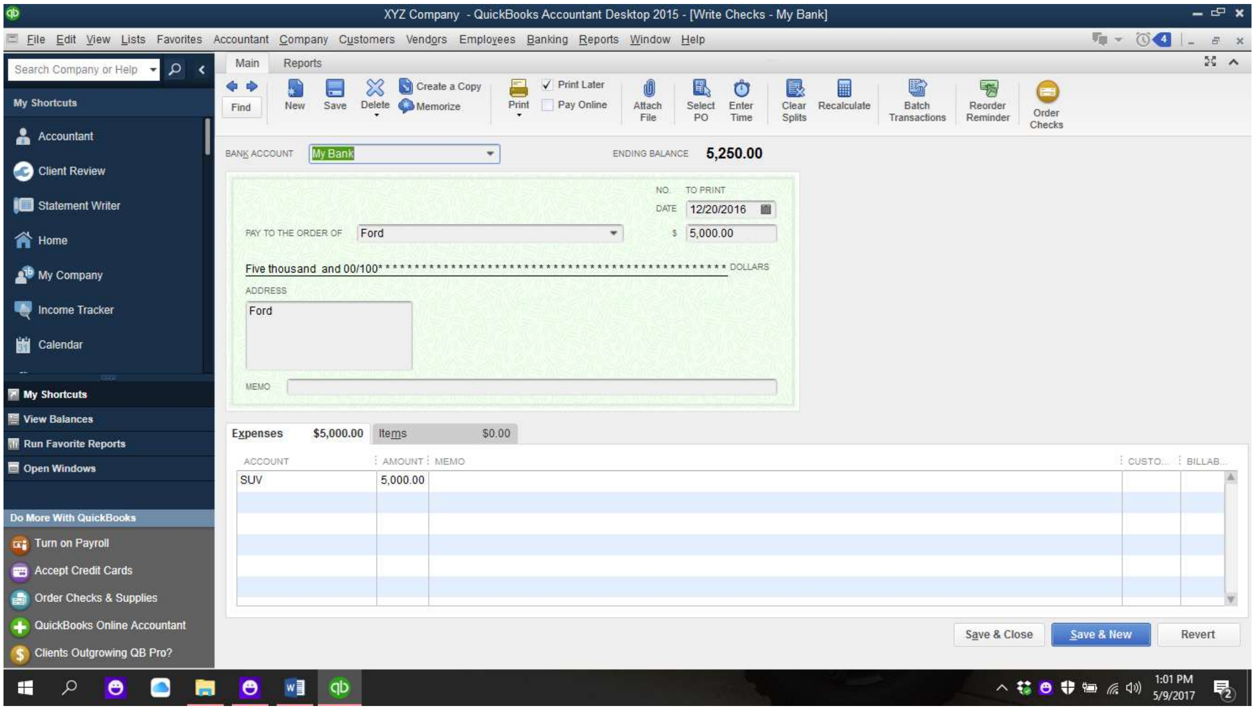
So now, we will show you how it impacts the financial statements. So, we create a profit and loss statement, and you can see the consulting income of $20,000. There are no expenses yet, so your net income is $20,000.



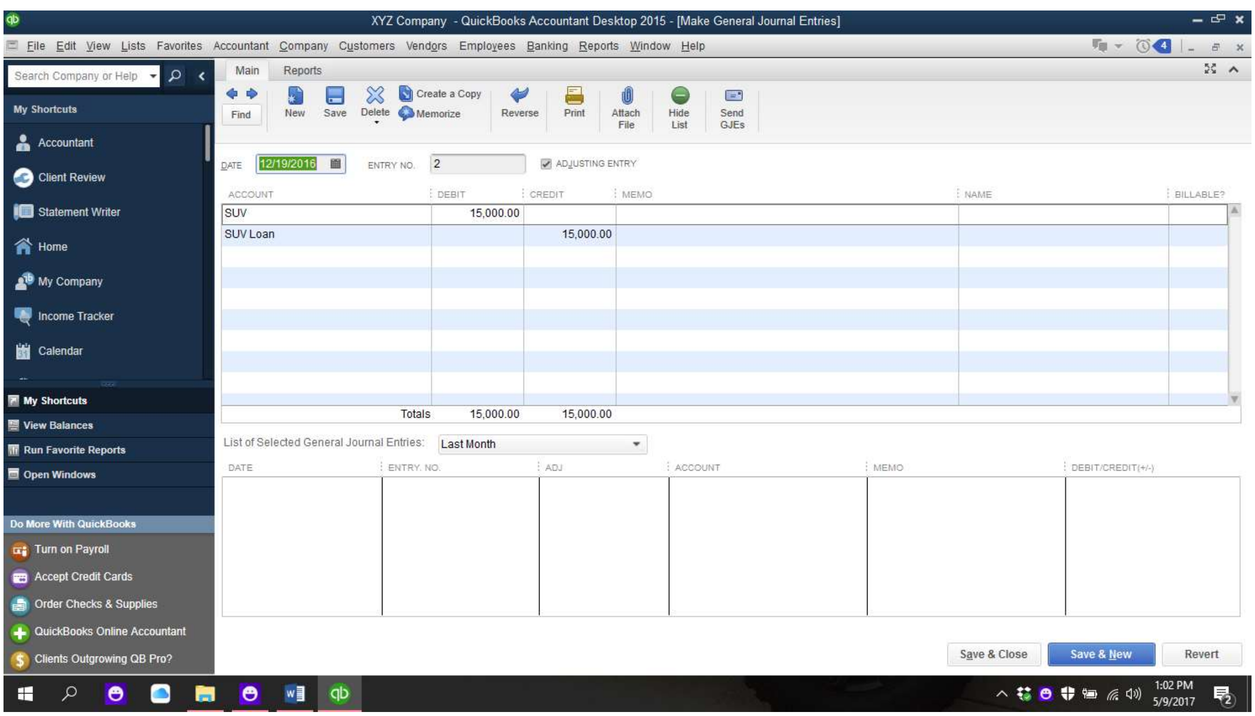
Next, we will go to the balance sheet; you're going to see now that there is $20,000 in the bank and your net income equity section now is 20,000; which is the profit from the profit and loss statement. So the deposit hits the balance sheet cash account for $20,000 and also the profit loss statement for $20,000 in revenue. The balance sheet shows $20,000 in cash which is an asset and $20,000 in equity as net income.



Next, let's create a new transaction and purchase a SUV. We're going to go to banking, and we are going to write a check and the vendor is Ford, and we're going to put down $5,000 on this SUV and we put it to the SUV account which is a Fixed Asset Account.

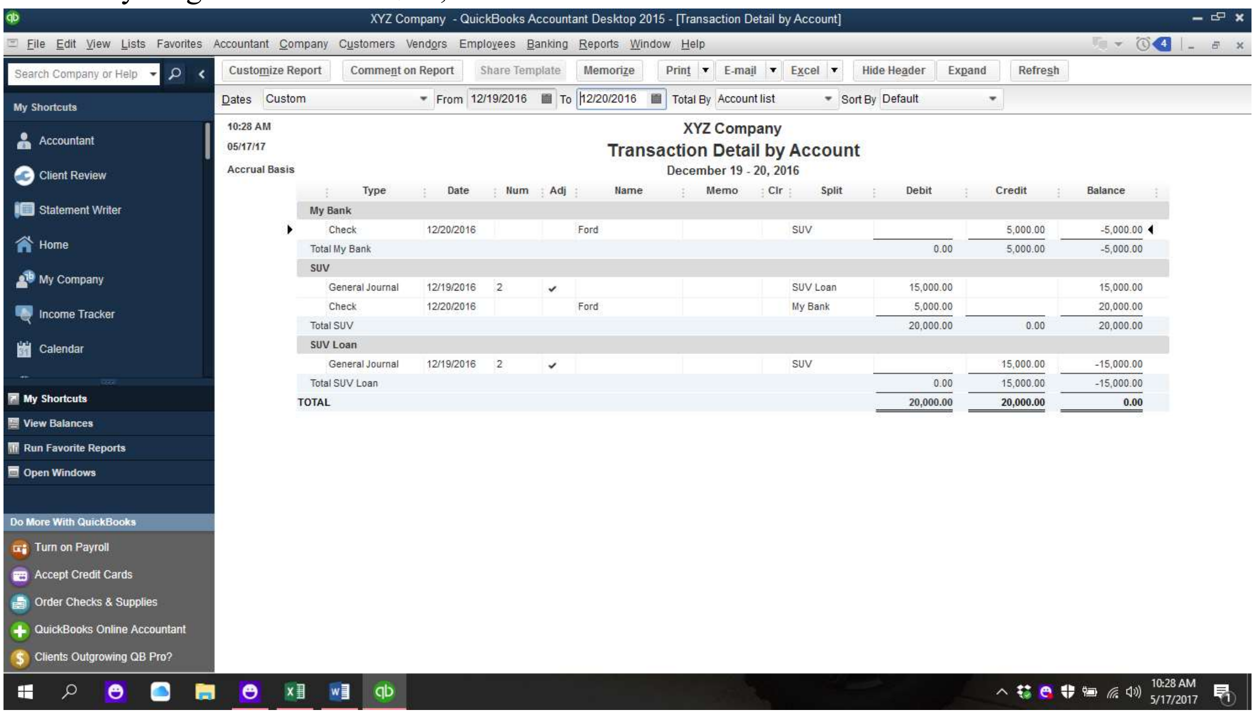


Here is your $5,000 check to Ford. And we code the checks $5,000 to your fixed asset SUV account. However, we bought the SUV for $20,000, and we took a $15,000 loan. The check recorded the down payment now we have to record the $15,000 loan. We need to do a journal entry to add $15,000 to the truck account, and we need to add $15,000 to the SUV loan account, which is a liability. Below is a picture of recording the loan for the SUV with a journal entry.



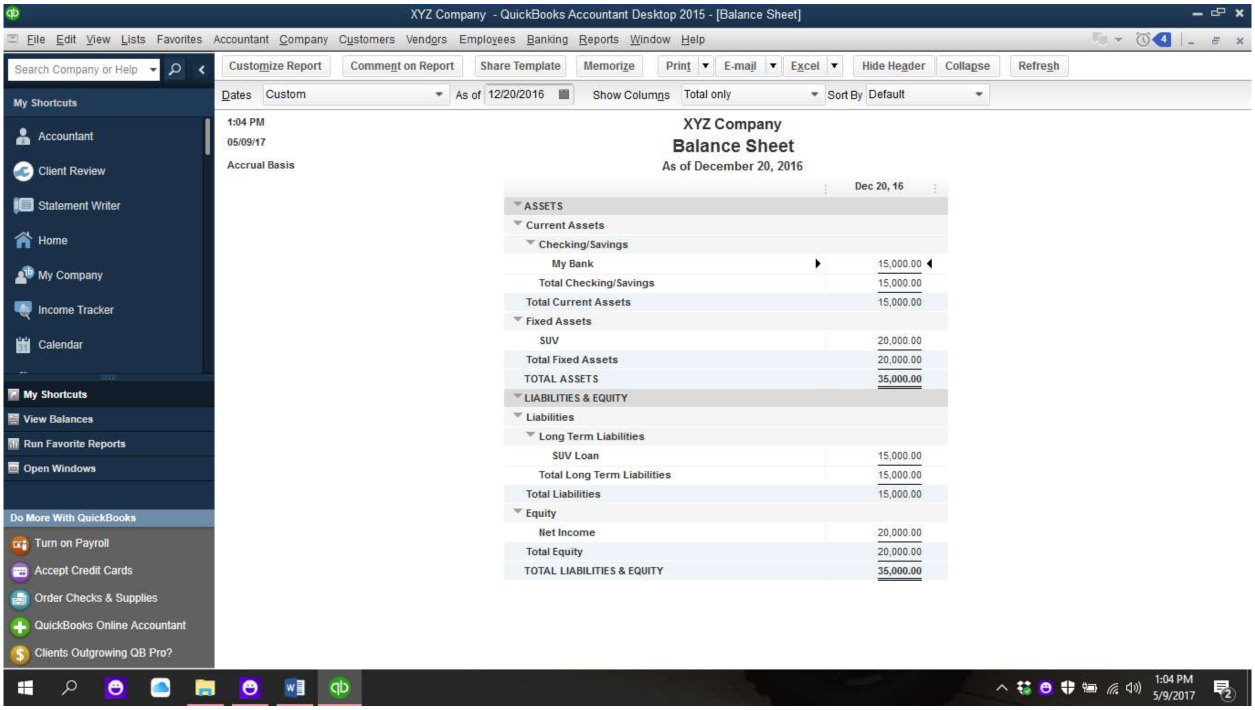
From our chart from the 5 Buckets of accounting which shows how to increase or decrease an account. To add to the SUV asset account we must debit the asset account and to increase the liability loan account we must credit it.

Refresh your report. Refresh your report. Now, you move over here, and you can see the $20,000 deposit. Your check for $5,000 to Ford, which is also hitting your SUV, asset, Truck account and then that's your balance for $15,000 which is also the same amount for the loan. Everything ties out. Everything ties out to the $20,000.


XYZ Company
Transaction Detail by Account
December 19 - 20, 2016

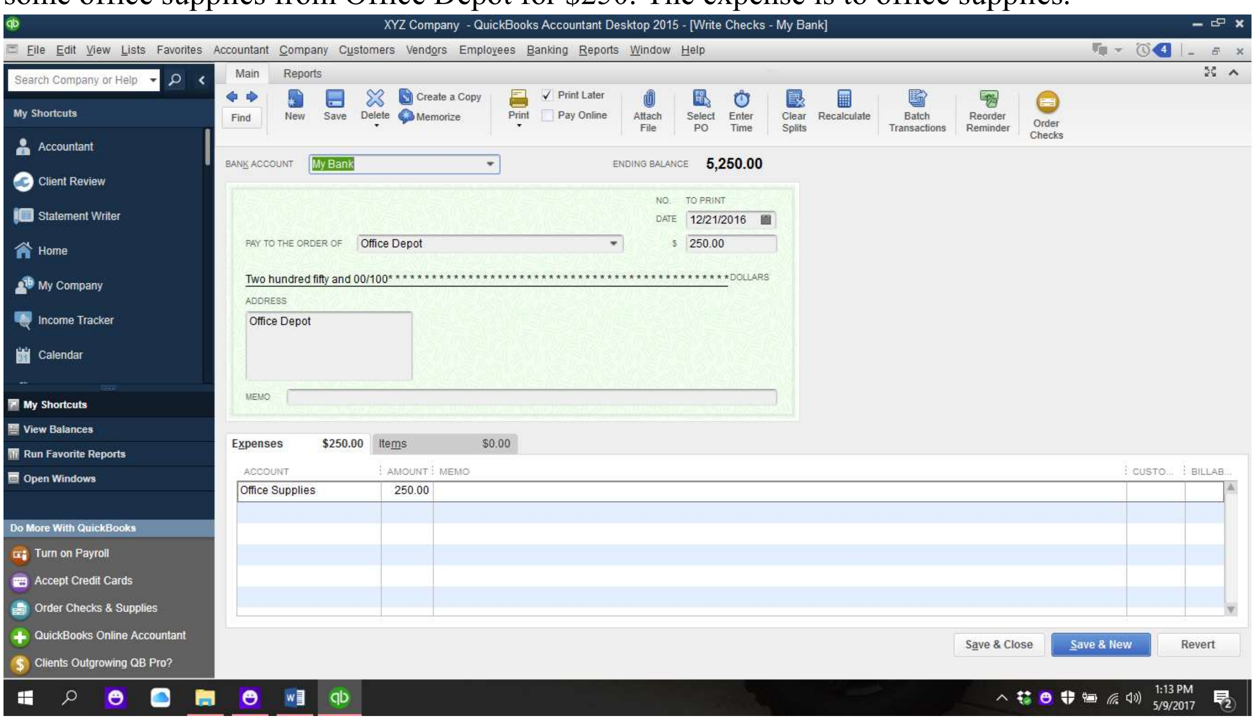
Type	Date	Num	Adj	Name	Memo	Clr	Split	Debit	Credit	Balance
My Bank										
Check	12/20/2016			Ford			SUV		5,000.00	-5,000.00
Total My Bank								0.00	5,000.00	-5,000.00
SUV										
General Journal	12/19/2016	2	✔				SUV Loan	15,000.00		15,000.00
Check	12/20/2016			Ford			My Bank	5,000.00		20,000.00
Total SUV								20,000.00	0.00	20,000.00
SUV Loan										
General Journal	12/19/2016	2	✔				SUV		15,000.00	-15,000.00
Total SUV Loan								0.00	15,000.00	-15,000.00
TOTAL								20,000.00	20,000.00	0.00

We come over here and look at the balance sheet. Let me refresh it. You have $15,000 now on your checking account because you deposited 20,000 and spent 5,000 for the asset.

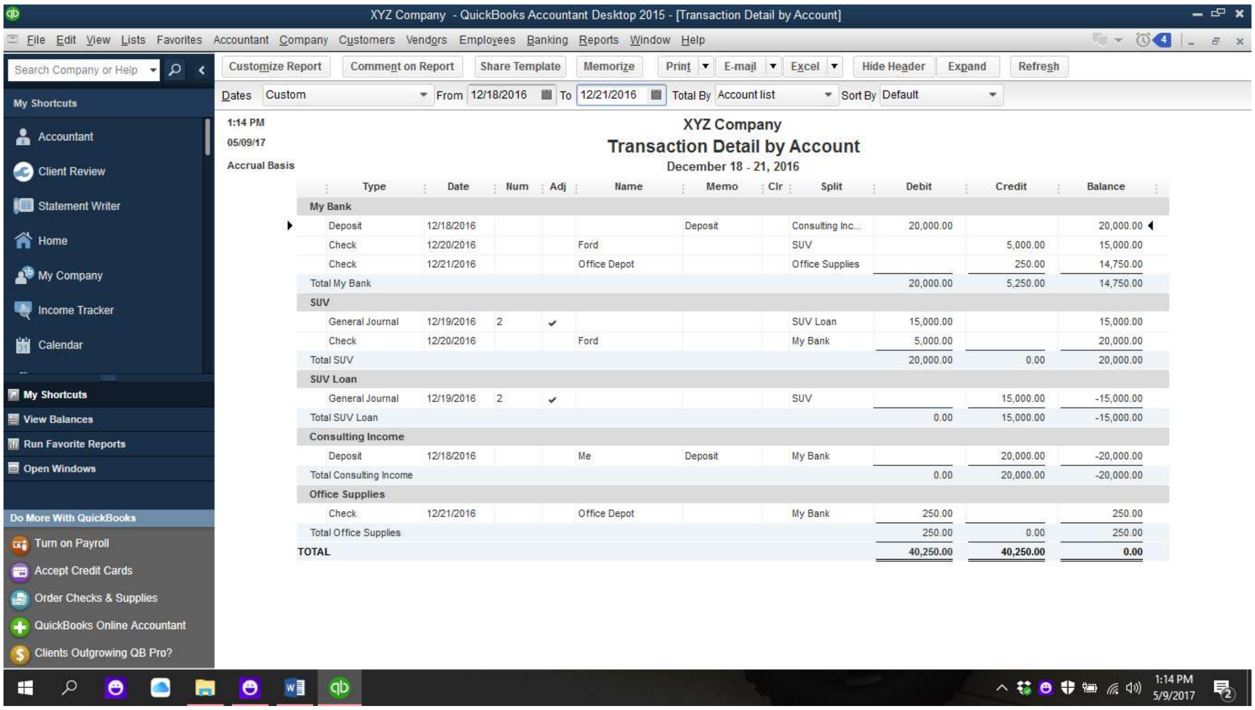


Your SUV is now $20,000. Your loan is 15,000 and your net income is still $20,000 because that $5,000 check is not an expense, it's an asset so it goes to the asset side of the balance sheet. Same thing with the loans, not an expense, it's a liability.

Okay. Now, we're going to come in here and we're going to write another check. We bought some office supplies from Office Depot for $250. The expense is to office supplies.



Now you can see, there's your $20,000 deposit. There's your $5,000 truck payment or down payment. There's your $250 office supplies. There's your truck for 20,000. There's your loan for 15,000. Your income and your expense. Look at your general ledger report on next page.


XYZ Company

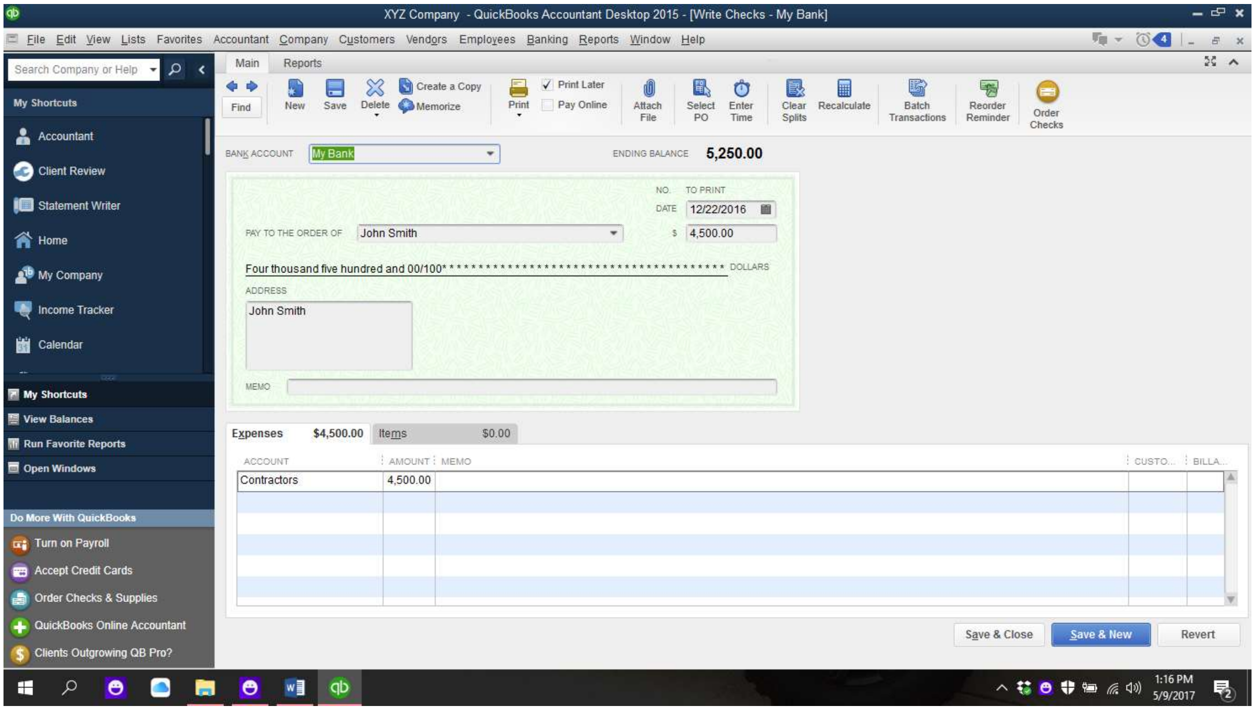
Transaction Detail by Account

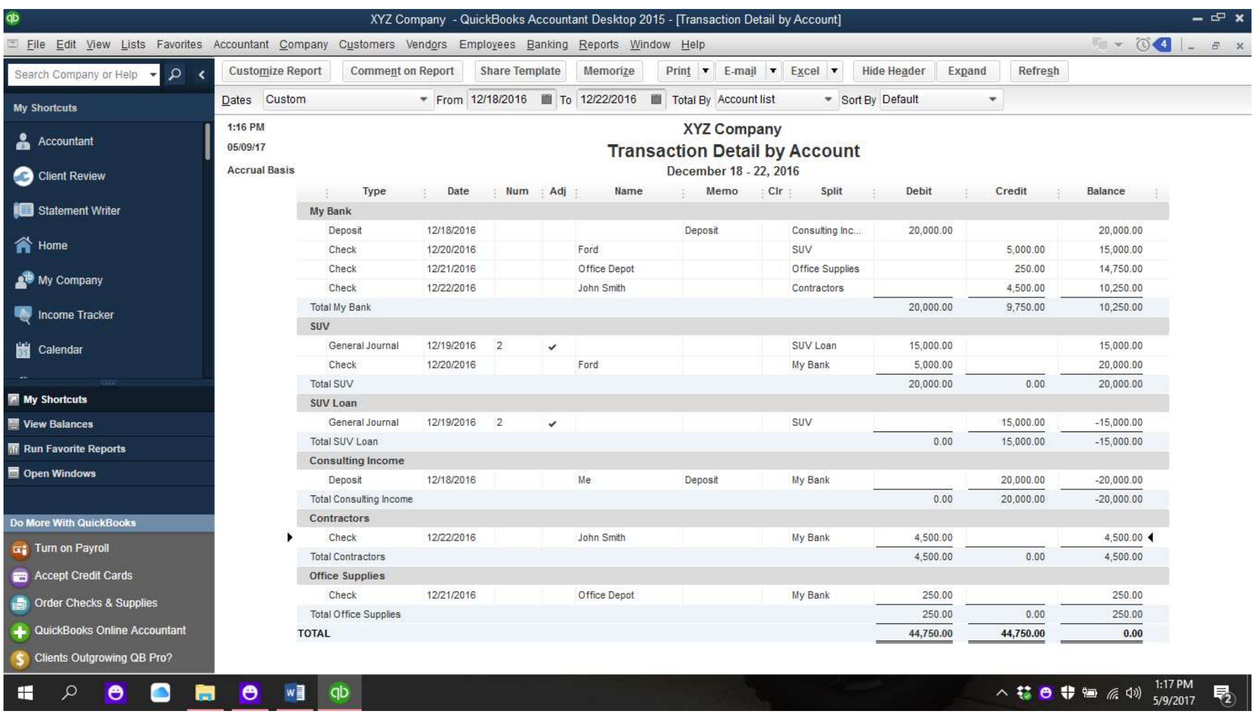
December 18 - 21, 2016

1:14 PM 05/09/17 Accrual Basis

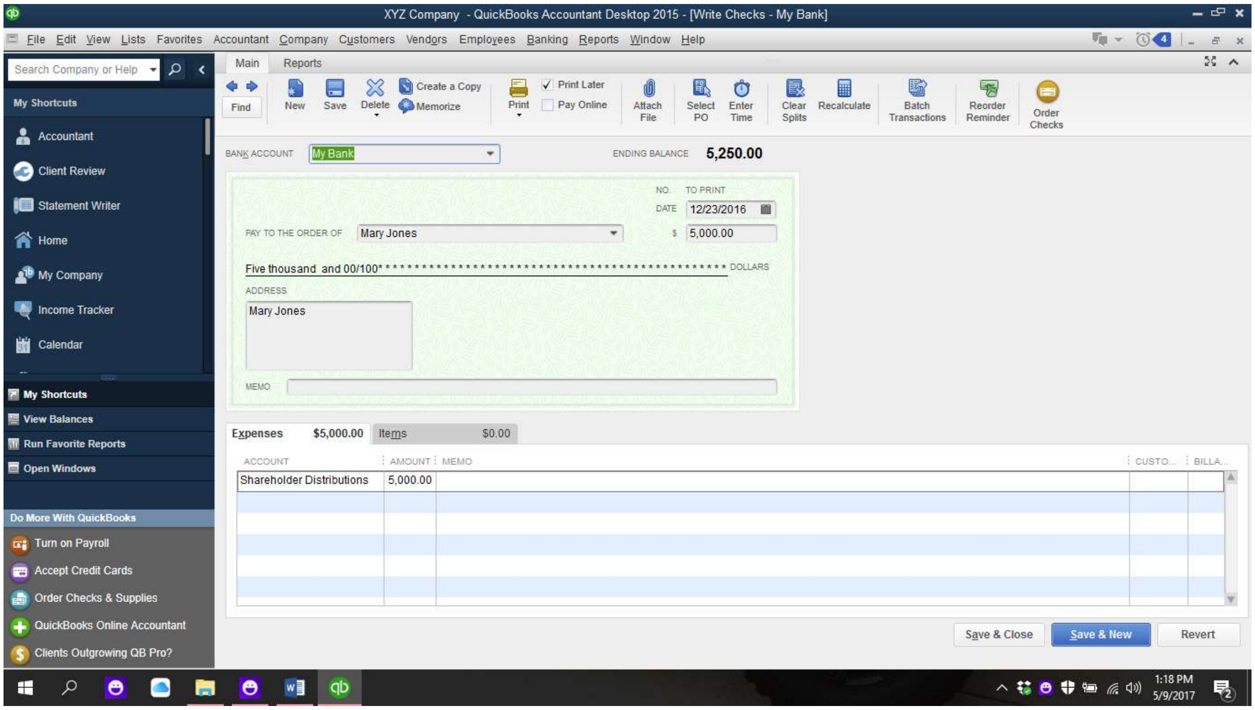
Type	Date	Num	Adj	Name	Memo	Clr	Split	Debit	Credit	Balance
My Bank										
Deposit	12/18/2016				Deposit		Consulting Inc...	20,000.00		20,000.00
Check	12/20/2016			Ford			SUV		5,000.00	15,000.00
Check	12/21/2016			Office Depot			Office Supplies		250.00	14,750.00
Total My Bank								20,000.00	5,250.00	14,750.00
SUV										
General Journal	12/19/2016	2	✔				SUV Loan	15,000.00		15,000.00
Check	12/20/2016			Ford			My Bank	5,000.00		20,000.00
Total SUV								20,000.00	0.00	20,000.00
SUV Loan										
General Journal	12/19/2016	2	✔				SUV		15,000.00	-15,000.00
Total SUV Loan								0.00	15,000.00	-15,000.00
Consulting Income										
Deposit	12/18/2016			Me	Deposit		My Bank		20,000.00	-20,000.00
Total Consulting Income								0.00	20,000.00	-20,000.00
Office Supplies										
Check	12/21/2016			Office Depot			My Bank	250.00		250.00
Total Office Supplies								250.00	0.00	250.00
TOTAL								40,250.00	40,250.00	0.00

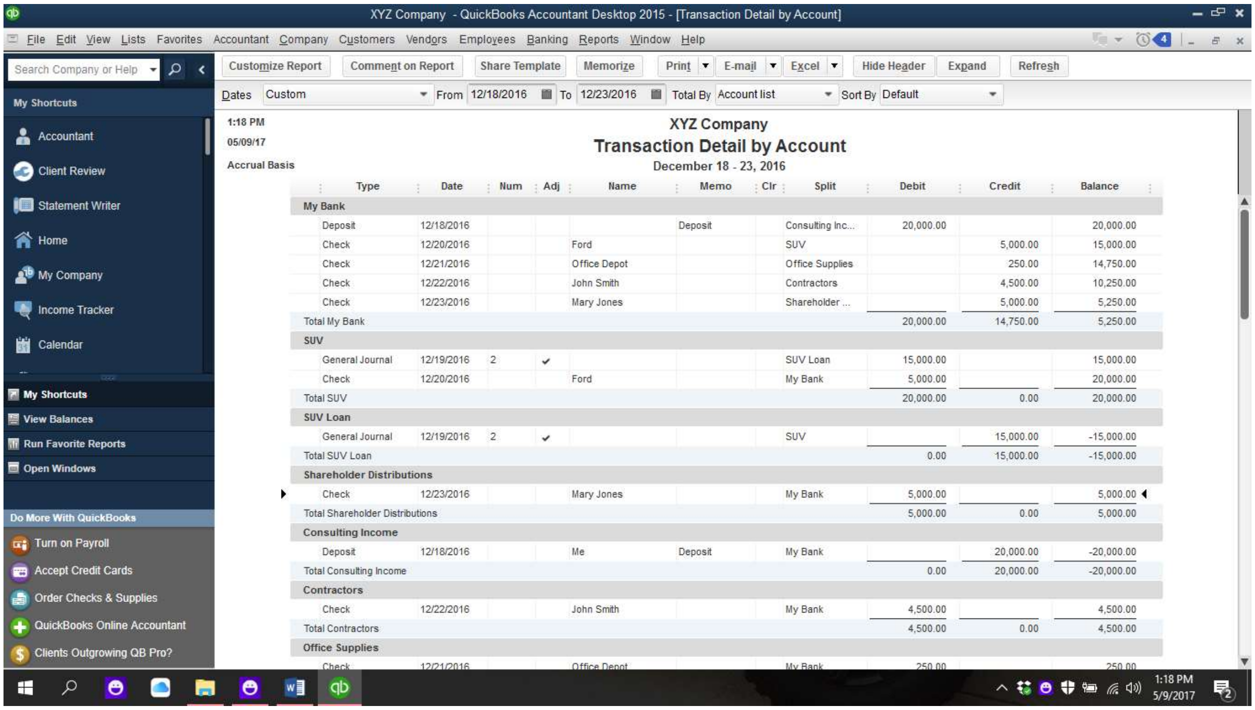
We've hit four out of the five buckets. We're going to do one more expense. We're going to go banking, write checks and we're going to write it to John Smith. He's our vendor. We're going to pay him $4,500, and we're going to hit it to the contractor account, which is an expense account. He's an independent contractor. Hit save and close. Now, now you can see your original revenue $20,000. You spent $5,000 on the truck down payment, $250 in office supplies, $4,500 in John Smith, which is labor. Here's your SUV for 20,000. Your SUV loan. Your consulting income. Your expense of John Smith and your expense of Office Depot.



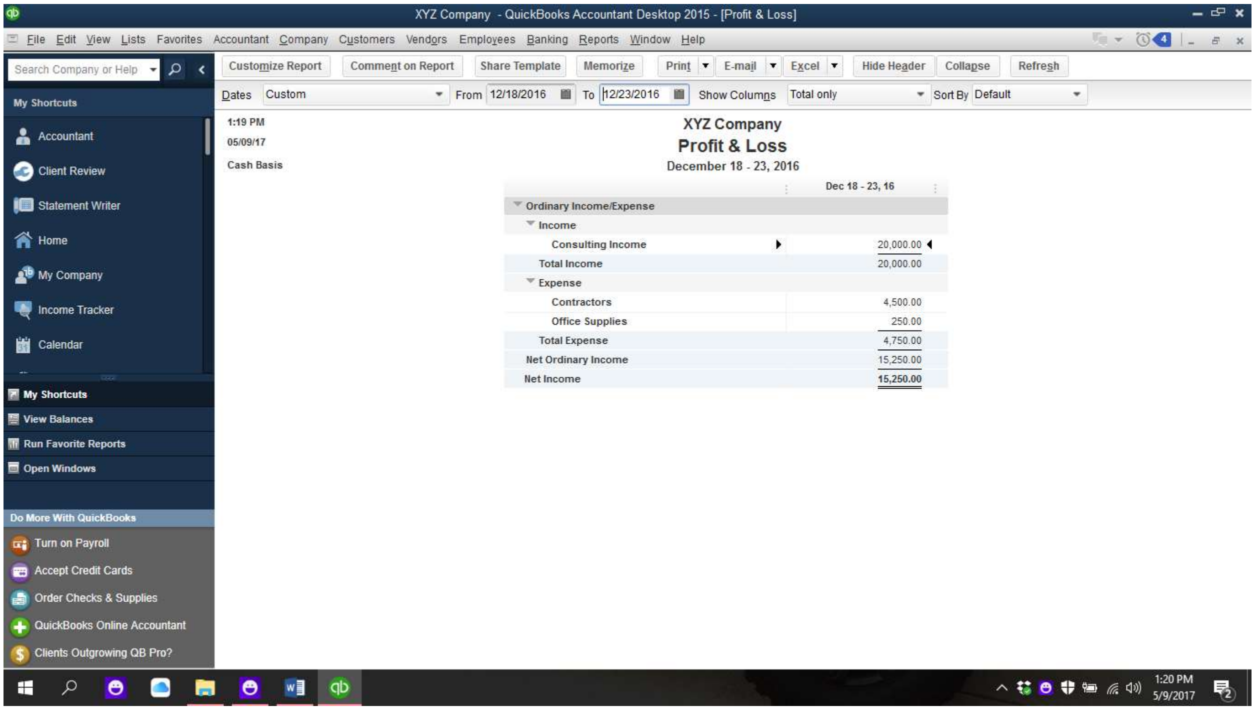


Alright, we have one more transaction we want to carry out. Banking. Write checks and we're going to pay to the owner, who is Mary Jones. She's going to take out $5,000 for herself. We're going to hit that to the shareholder distribution account which is an equity account. Save and close. Refresh. Alright, so back to the top again. We've got $20,000 bank deposit which was our consulting income, $5,000 to the truck, Office Depot, $250, office supplies. Labor to John Smith for $4,500. Withdraw from the owner, $5,000. There's your truck, your truck loan.

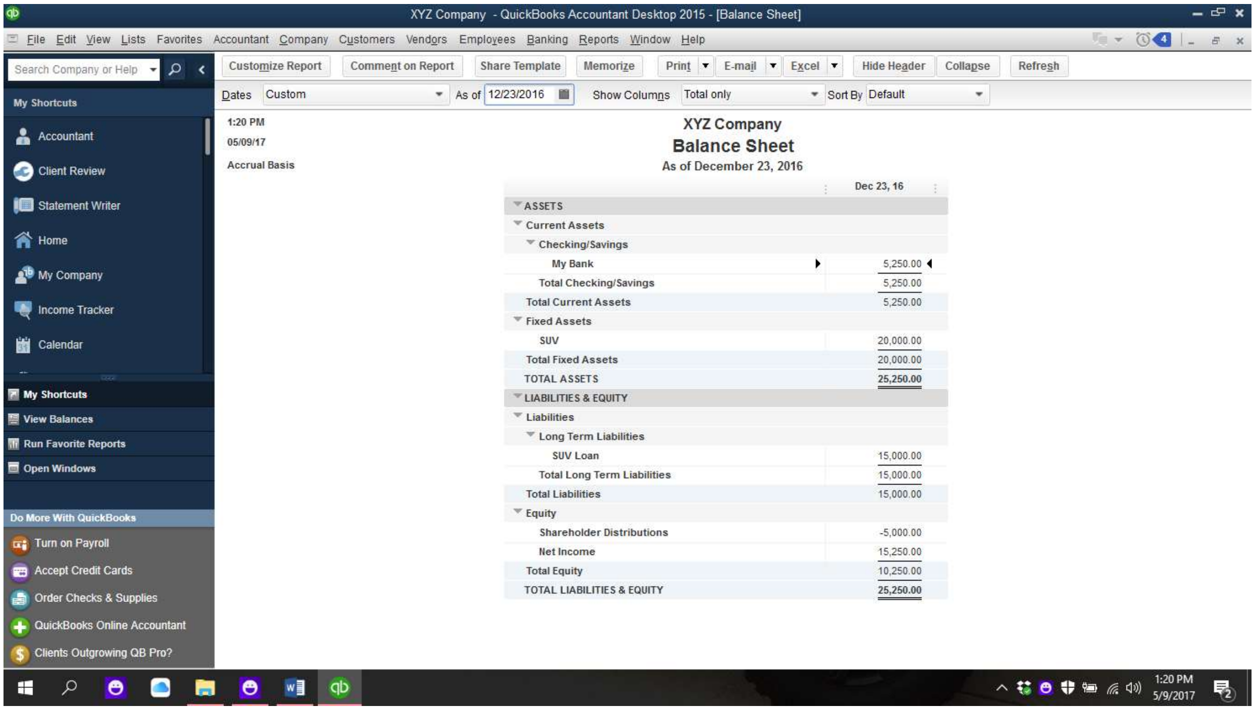




Notice the check for Mary Jones, the owner, went to shareholder distributions. This is an equity account. It is how she pulls out her money.. The important thing about this is you'll see this does not affect the profit and loss. We'll see that in a minute here. Consulting income is 20,000 with the expense of $4,500. Office supplies are $250. So now, let's go over here and look at the profit and loss statement.



You have consulting income at $20,000, contractor expense of $4,500, and office supplies at $250. There is no check to Mary Jones, so your net income is $15,250. We'll flip over here and look at the balance sheet. You can see your bank account was originally $20,000 and we spent all this money, so we're now at $5,250. Your SUV's 20,000 your loan. Under the equity section; shareholder distributions of $5,000.



This is a complete visual of the accounting, and you got to see how all these transactions inter-linked and how they looked visually. If you go back again to the transaction detail account, this is every single transaction you made. Every side has two sides. Everything balances, and this shows you every single transaction. Now, if you look at this Transaction Detail by Account Report or a General Ledger Report every single week, you can see what went in, what went out, where it went to and to make sure the transaction is in the right category. To go through this every week it is going to take you about five to ten minutes, and this is going to tell you where every nickel that came in and where every nickel that went out, went.

If you look at this report, you will have your finger on the pulse of your business. This report is very simple, yet very powerful. It tells you here's your deposits. Here are your expenses and withdrawals. You bought a truck. There's the part that was cash, that's the part that was the loan. You took out $5,000 as for yourself. There's your revenue, and there are your expenses. Notice the way this report is laid out. This is laid out just like your chart of accounts where you have your assets first; your cash, your SUV, then your liabilities; your loan here for your truck, then equity, then income, and finally your expenses. It is always laid out this way. It doesn't change. It is the same order as your chart of accounts.

This is the entire visualization of your business accounting. You can see how source transactions impact your accounts and then how they impact your profit and loss statement and your balance sheet. All of these reports, profit and loss, balance sheet, and statement of cash flow is all derived from your detail accounting. I really hope this helps. Please review this chapter several times.

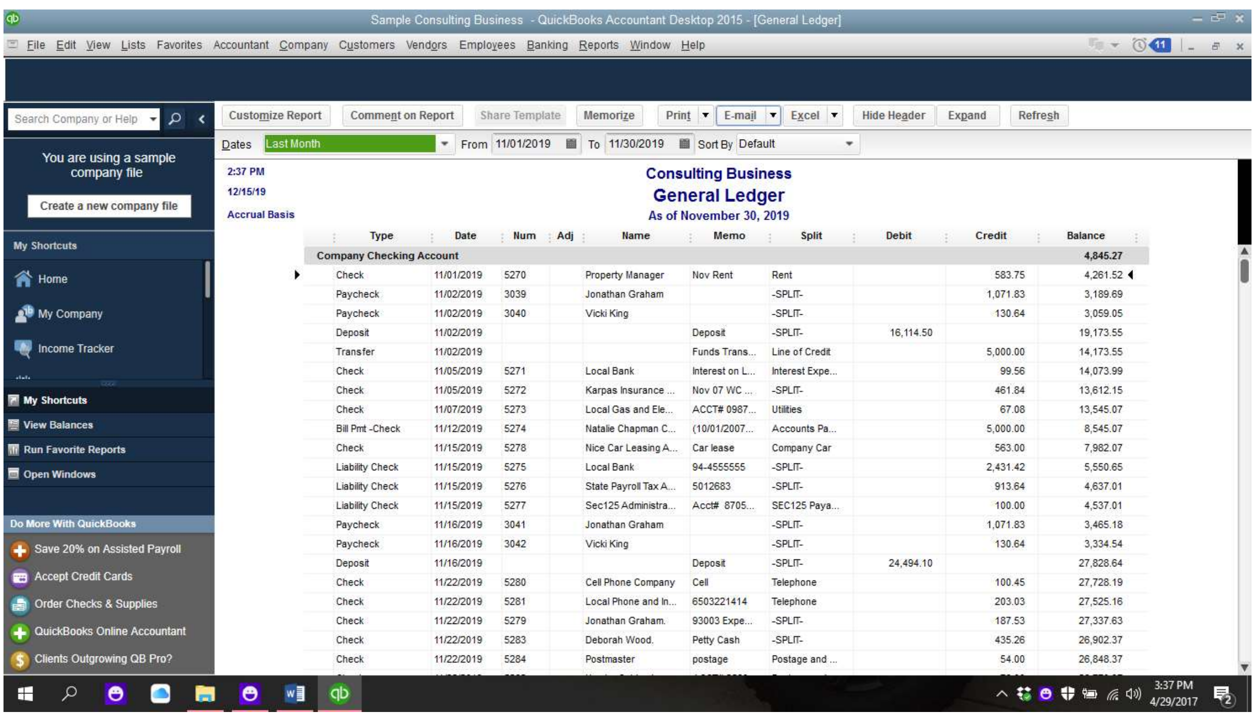
This is the most complicated thing that we're going to go over, but it is important you understand how accounting flows. Hopefully, with you seeing how everything is impacted and the visualization of it, it makes it easy for you to understand how it all works. It's not any more complicated than this. I know we covered a lot here because I made sure we hit all five buckets; assets, liabilities, equity, revenue, and expenses. Everything has to hit those five buckets.

Once you understand there are only five things to classify a transaction, that's it. It's not any harder than that and this is your main report that you need to look at every single week. If you look at this report every single week, you're going to know everything there about the accounting side and finance side of your business. I hope this helps. If you have any questions on this one here, reach out to me. Email me, call me, send me a message and we'll help you through it. If you're having trouble, review this chapter several times. Seeing how the parts interact, I think it's really going to help you out a lot.

Chapter 6

The General Ledger

This is going to be your most important lesson. This is your Holy Grail of accounting reports. This lesson will have a significant impact on your business and it is the easiest to do, and least time consuming. This literally takes 10 minutes a week to do for most business owners. If you do nothing else but this, you will greatly improve the financial aspects of your business. I would start with this technique first and then once you are comfortable move on to the other techniques. The General Ledger report is just every transaction in your company for a period. It simply lists all of your debits and credits in order of your chart of accounts. The purpose reviewing your general ledger is to review every monetary transaction your company had. Reviewing this report frequently will allow you to catch errors in your accounting, see where your money is leaking out, see your expenses that are necessary and most importantly those that are not. Seeing your sales one by one, seeing all of the expenditures going out of your bank account. Reviewing this report will tell you everything that is going on in your business. The good news is for most businesses this task will only take about 10 minutes per week to review. This is the "ONE THING" that separates my very successful clients to the ones that just survive. My most successful clients do this every week.



Type	Date	Num	Adj	Name	Memo	Split	Debit	Credit	Balance
Company Checking Account									4,845.27
Check	11/01/2019	5270		Property Manager	Nov Rent	Rent		583.75	4,261.52
Paycheck	11/02/2019	3039		Jonathan Graham		-SPLIT-		1,071.83	3,189.69
Paycheck	11/02/2019	3040		Vicki King		-SPLIT-		130.64	3,059.05
Deposit	11/02/2019				Deposit	-SPLIT-	16,114.50		19,173.55
Transfer	11/02/2019				Funds Trans...	Line of Credit		5,000.00	14,173.55
Check	11/05/2019	5271		Local Bank	Interest on L...	Interest Expe...		99.56	14,073.99
Check	11/05/2019	5272		Karpas Insurance ...	Nov 07 WC ...	-SPLIT-		461.84	13,612.15
Check	11/07/2019	5273		Local Gas and Ele...	ACCT# 0987...	Utilities		67.08	13,545.07
Bill Pmt -Check	11/12/2019	5274		Natalie Chapman C...	(10/01/2007...	Accounts Pa...		5,000.00	8,545.07
Check	11/15/2019	5278		Nice Car Leasing A...	Car lease	Company Car		563.00	7,982.07
Liability Check	11/15/2019	5275		Local Bank	94-4555555	-SPLIT-		2,431.42	5,550.65
Liability Check	11/15/2019	5276		State Payroll Tax A...	5012683	-SPLIT-		913.64	4,637.01
Liability Check	11/15/2019	5277		Sec125 Administra...	Acct# 8705...	SEC125 Paya...		100.00	4,537.01
Paycheck	11/16/2019	3041		Jonathan Graham		-SPLIT-		1,071.83	3,465.18
Paycheck	11/16/2019	3042		Vicki King		-SPLIT-		130.64	3,334.54
Deposit	11/16/2019				Deposit	-SPLIT-	24,494.10		27,828.64
Check	11/22/2019	5280		Cell Phone Company	Cell	Telephone		100.45	27,728.19
Check	11/22/2019	5281		Local Phone and In...	6503221414	Telephone		203.03	27,525.16
Check	11/22/2019	5279		Jonathan Graham.	93003 Expe...	-SPLIT-		187.53	27,337.63
Check	11/22/2019	5283		Deborah Wood.	Petty Cash	-SPLIT-		435.26	26,902.37
Check	11/22/2019	5284		Postmaster	postage	Postage and ...		54.00	26,848.37

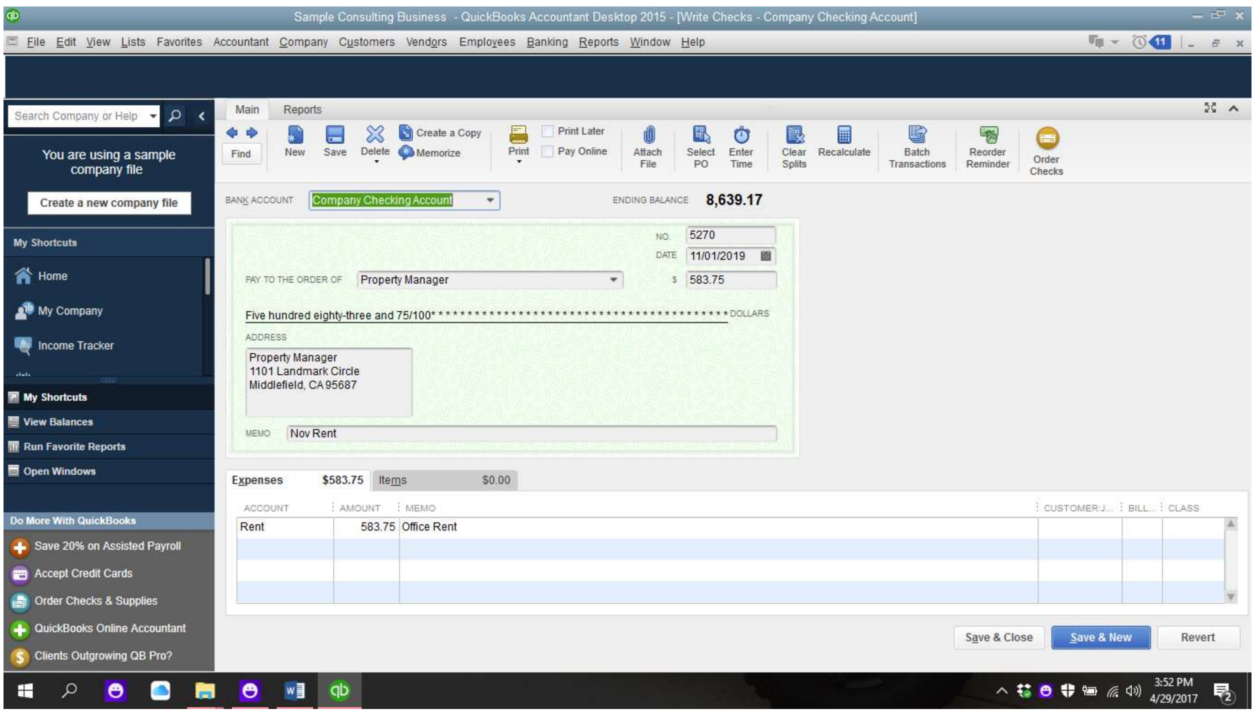
The report will start with your first cash account. It lists the type of transaction. The date of the transaction, the check number, the name on the transaction, a memo note, then the debit or credit, and finally the account balance.

You simply scroll through this report looking at one transaction at a time. You objective is first to familiarize yourself with what happened. Secondly, you are looking for posting errors. Is the transaction properly recorded in the correct account? Thirdly, and most importantly, you are watching where your money went.

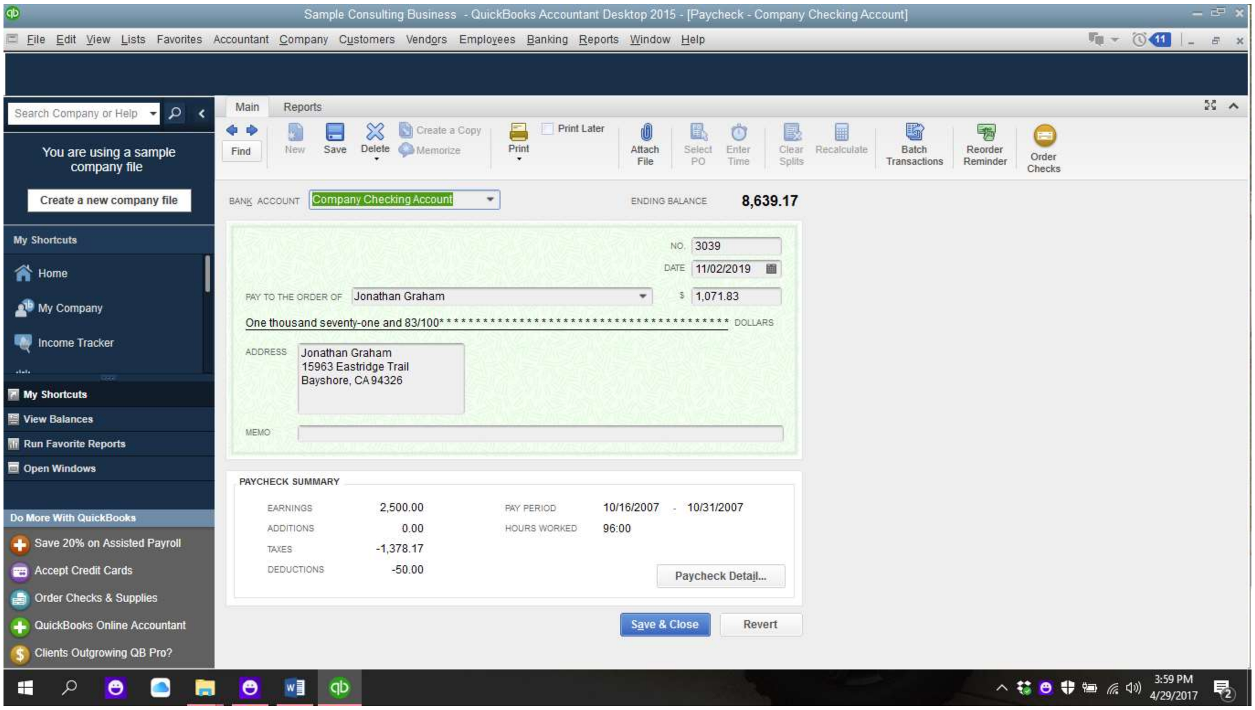
So let's go through this example. So you can see how this report works. Seeing how it works, will be helpful for you to implement into your business.

First, when you scroll your mouse over a transaction, the mouse pointer changes from the arrow to a magnifying glass with a Z in it. The Z stands for zoom. So by clicking on a transaction when the mouse point is the magnifying glass you can zoom back to the source transaction.

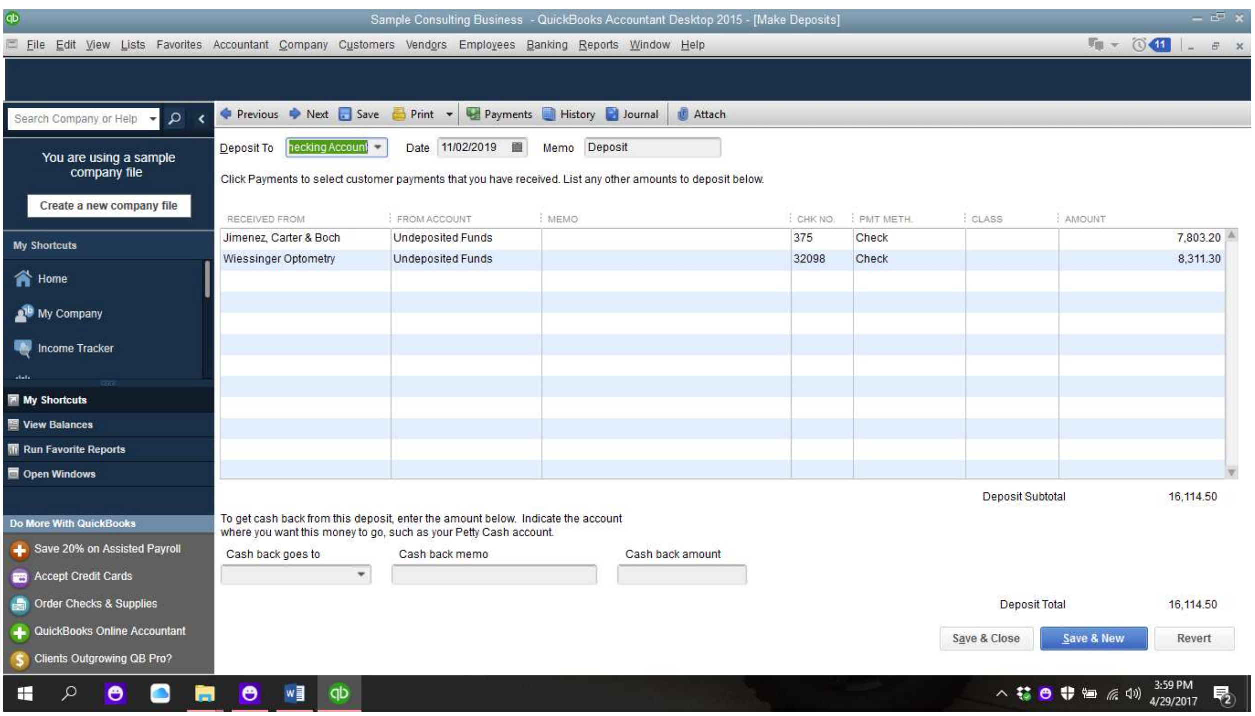
To start, we pick the first transaction a check to Property Manager, under memo says Nov Rent, we zoom to the source. We see this is just the rent check for the month of November. So we examined it and it seems fine so we just close it out, and move on.



We see the second transaction is a paycheck to Jonathan Graham dated 11/02/2019 so we click on it and zoom to the paycheck.



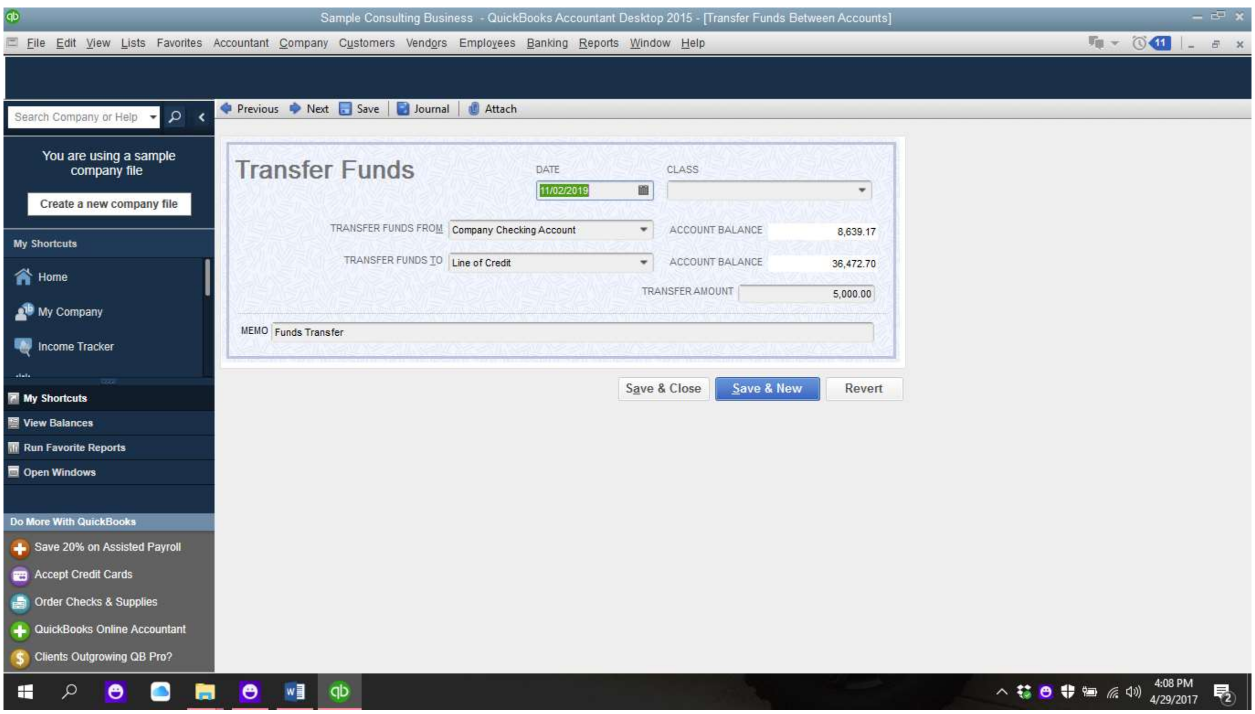
Everything looks ok with the paycheck so we move on. We continue on till we see the first debit which is labeled as a deposit for $16,114.50. We click on it and are brought to the deposit.



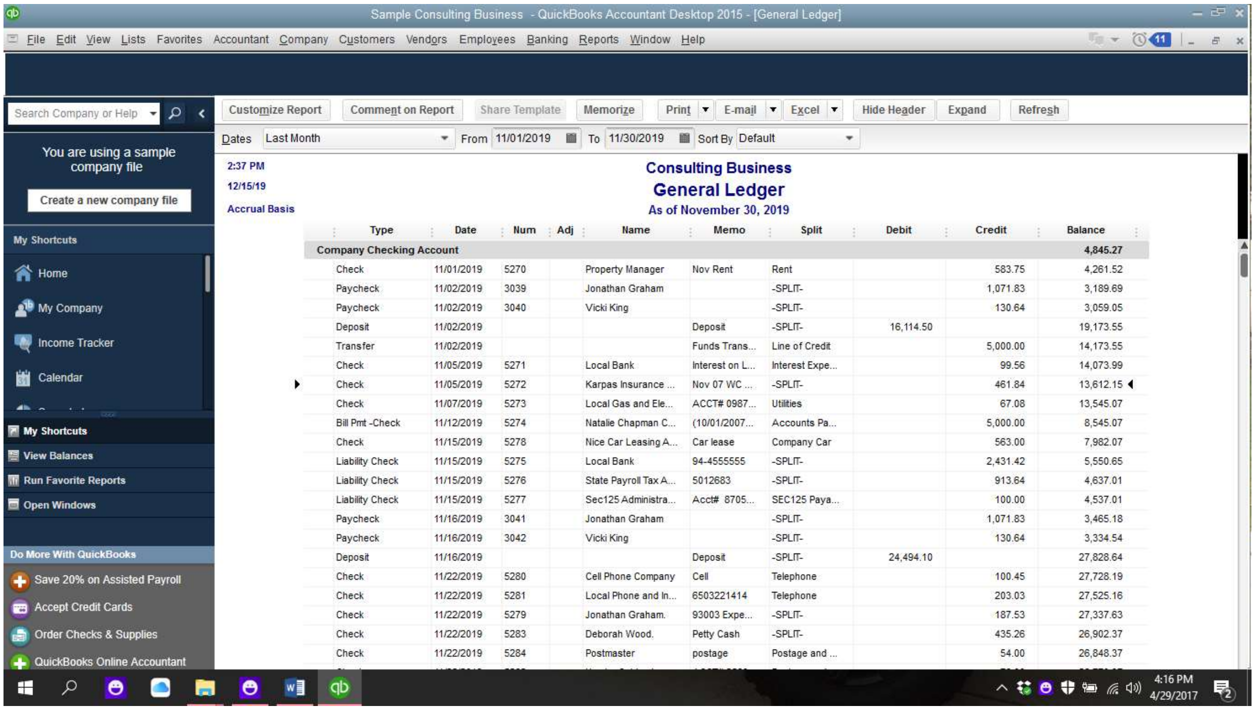
We see the deposit is two customer payments. One from Jimenez, Carter & Boch for $7,803.20 and another one from Wiessinger Optometry for $8,311.30. We remember the deposit, it looks fine so we close the deposit and continue on.

We do not have to click to zoom to every transaction. We are only doing it here for illustration purpose.

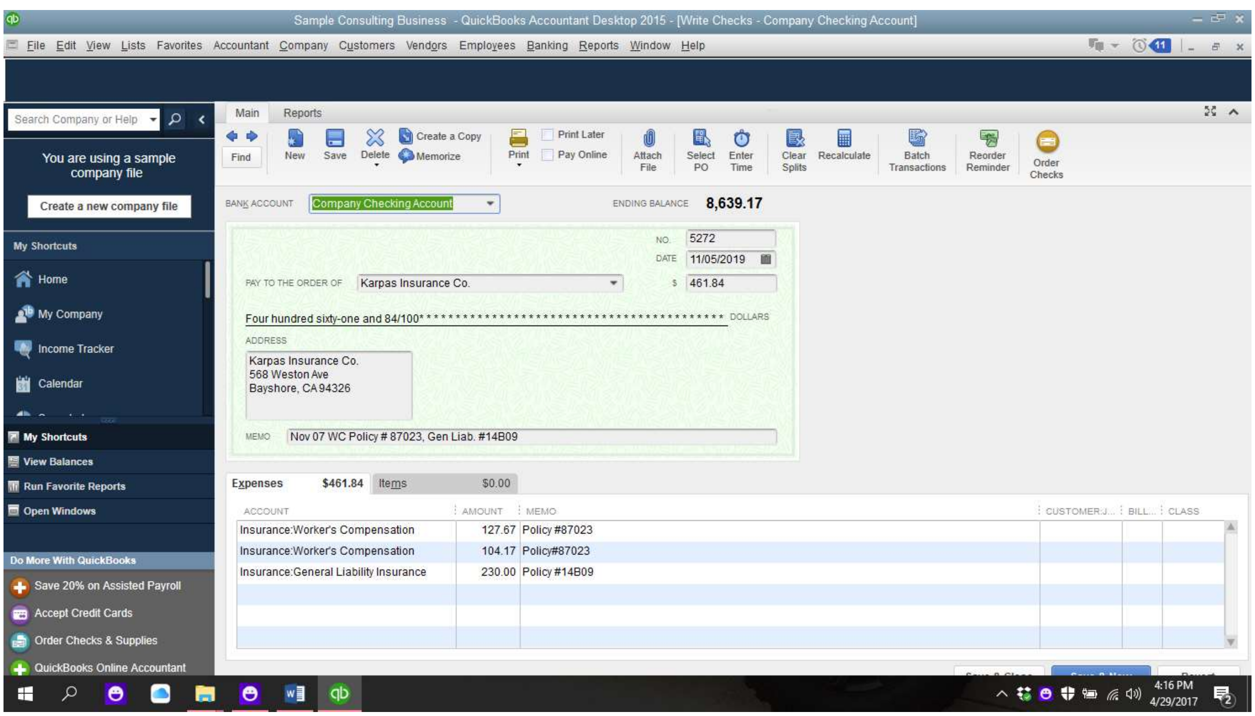
The very next transaction is a Transfer on 11/02/2019 and says Line of Credit under the Split column. Split tells you the other account the transaction is coded to. Every transaction has two sides a debit and a credit. When you see Split under the Split that means the other side is hitting more than one account. So when we click on the Transfer for $5,000 which is a credit we see there was a payment made to the Line of Credit loan. This is a very important transaction to review. This is a very common mistake your accountant will get wrong. Most accountants will book all of your deposits to revenue. So when a client pulls money from a line of credit and puts it into the cash account, it is often miss recorded and put into revenue. Which means you could pay tax on receiving a loan because it was improperly recorded as a sale. But in this case, it is paying down the loan.



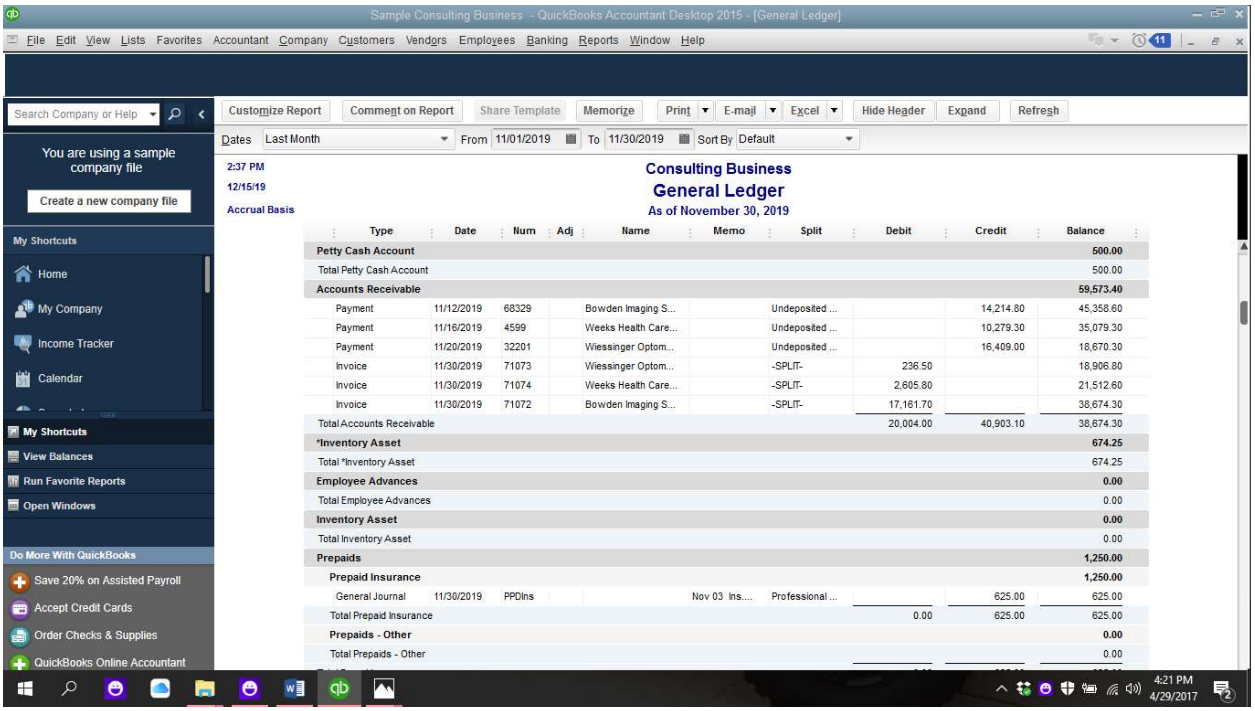
The next transaction of interest is the check 5272 to Karpas Insurance fro $461.84 because the split line says split.



So when we zoom in on this transaction, we see it is coded to three lines two for Insurance: Workers Compensation and one for Insurance: General Liability Insurance. Here is a good example of a split line. We are going to move farther down the General Ledger.

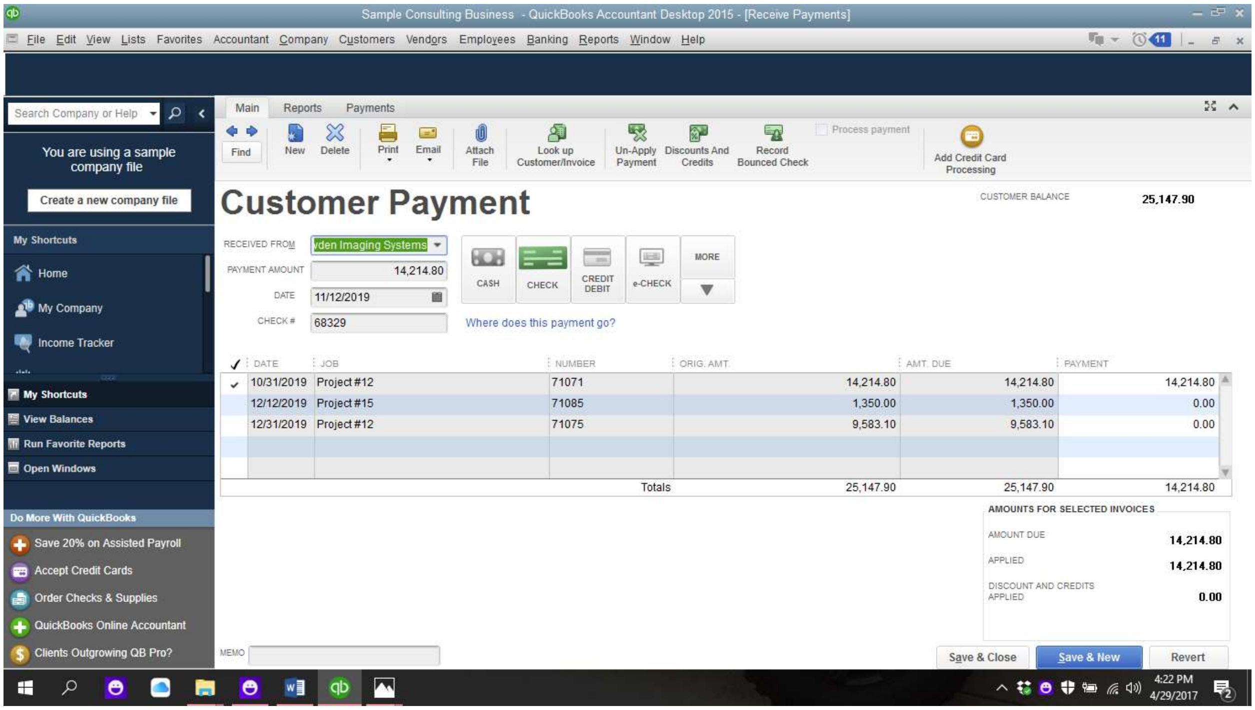


As we continue to scroll through the General Ledger we are now at the Accounts Receivable account. We notice there are payments which are credits to Accounts Receivable and invoices which are debits to the account. We can see in Accounts Receivable we invoiced out $20,004.00 in revenue and we collected $40,903.10 in cash from prior sales.

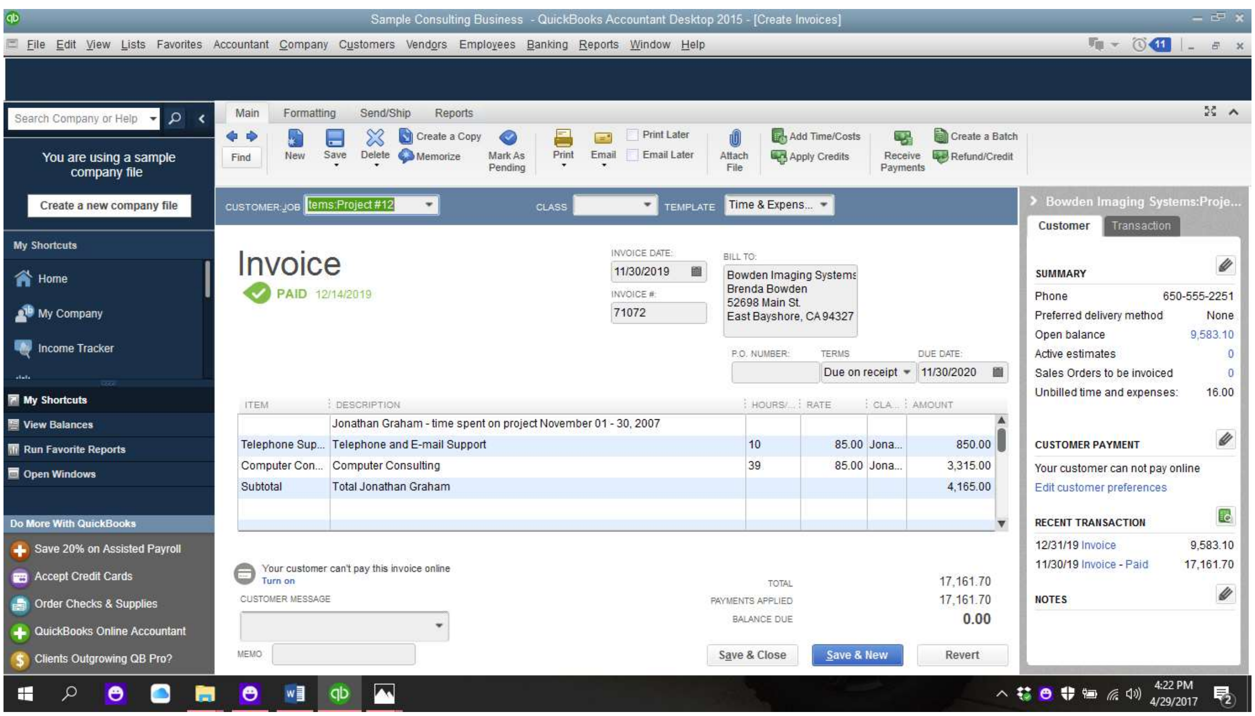


Type	Date	Num	Adj	Name	Memo	Split	Debit	Credit	Balance
Petty Cash Account									500.00
Total Petty Cash Account									500.00
Accounts Receivable									59,573.40
Payment	11/12/2019	68329		Bowden Imaging S...		Undeposited ...		14,214.80	45,358.60
Payment	11/16/2019	4599		Weeks Health Care...		Undeposited ...		10,279.30	35,079.30
Payment	11/20/2019	32201		Wiessinger Optom...		Undeposited ...		16,409.00	18,670.30
Invoice	11/30/2019	71073		Wiessinger Optom...		-SPLIT-	236.50		18,906.80
Invoice	11/30/2019	71074		Weeks Health Care...		-SPLIT-	2,605.80		21,512.60
Invoice	11/30/2019	71072		Bowden Imaging S...		-SPLIT-	17,161.70		38,674.30
Total Accounts Receivable							20,004.00	40,903.10	38,674.30
*Inventory Asset									674.25
Total *Inventory Asset									674.25
Employee Advances									0.00
Total Employee Advances									0.00
Inventory Asset									0.00
Total Inventory Asset									0.00
Prepaids									1,250.00
Prepaid Insurance									1,250.00
General Journal	11/30/2019	PPDIns			Nov 03 Ins....	Professional ...		625.00	625.00
Total Prepaid Insurance							0.00	625.00	625.00
Prepaids - Other									0.00
Total Prepaids - Other									0.00

When we click on the Bowden Imaging we see there is a $14,214.80 payment to Project#12 which is invoice 71071 for $14,214.80. This looks good so we will close it. So we examined the revenue which came in. Let’s now look at our current month revenues.



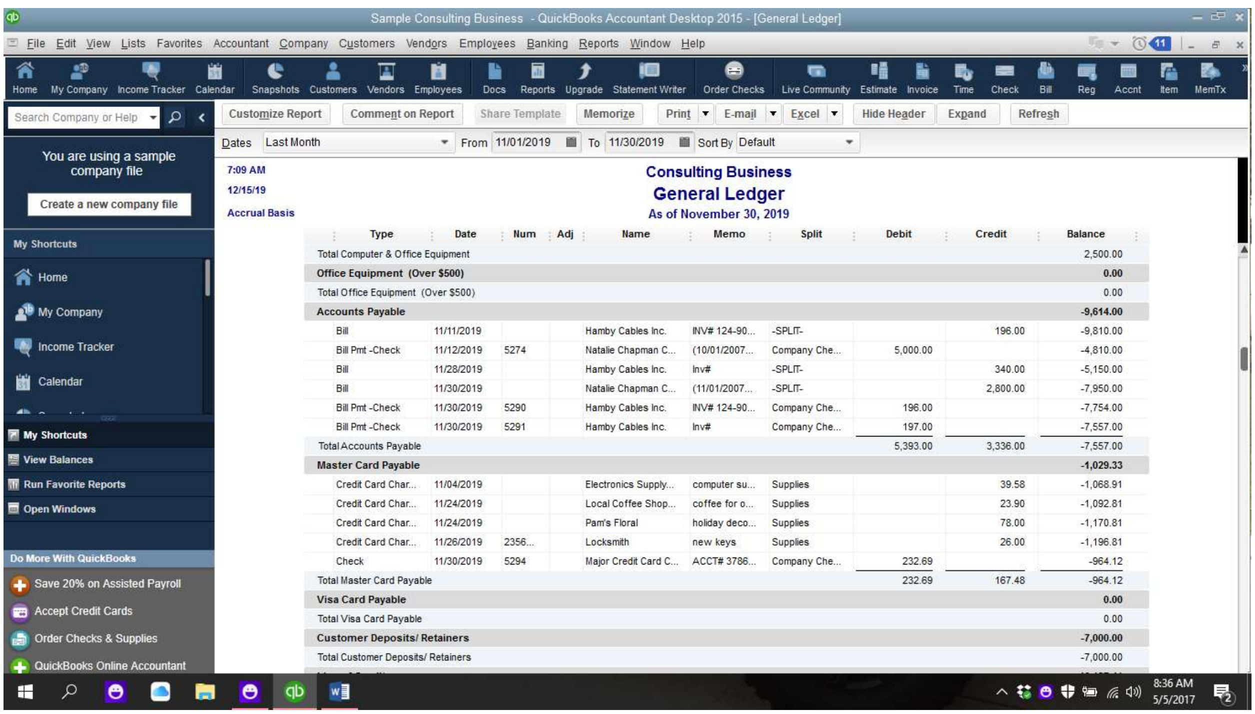
Next we click on the invoice number 71072 to Bowden Imaging for $17,161.70. This was the bulk of the sales for the month. It looks fine so we close it and move on.



So we collected $40,903.10 and we only invoiced $20,004.00, so we should look into this and see if we have a problem. Because we only invoiced half of what we collected. Did we miss an invoice, is there a seasonality to our business, or did a project not get done? Why are sales half of the prior month? These are all very important questions. So you have to go back and investigate sales by month for the year and see what happened.

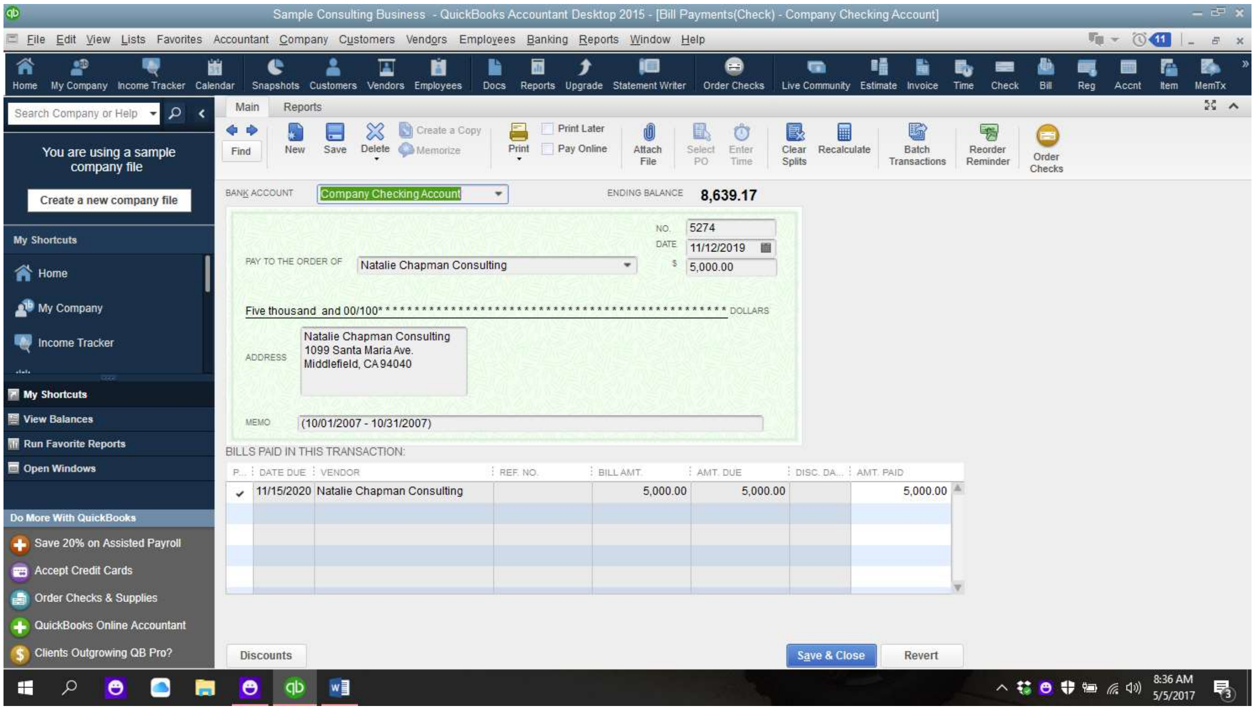
As we continue to scroll down through the General Ledger we come across Undeposited Funds. This is an account QuickBooks created to make doing your bank reconciliation much easier. The purpose of this account is to group your customer payments into one deposit. This one deposit will then be the same amount you see on your bank statement. So when you do your bank reconciliation in QuickBooks, the deposits in your General Ledger and Bank Reconciliation will correspond to the bank statement. So Undeposited Funds is a holding account. What is interesting in this example is we collected only $40,903.10 in deposits from sales but we deposited $57,017.60 into the bank for the month of November. And when you examine why you discover you received some payments from customers at the end of October but you did not deposit these until November.

Next, we arrive at Accounts Payable. We see we added $3,336.00 in new bills and paid $5,393.00 worth of bills.

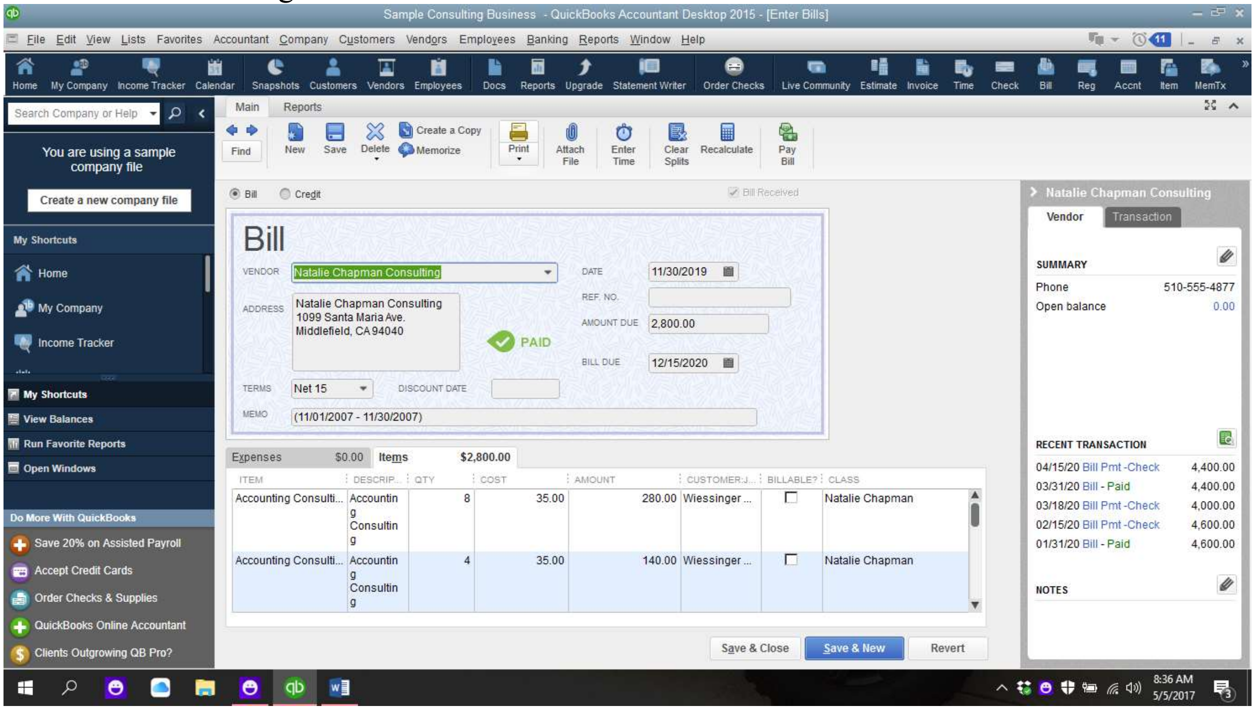

Consulting Business
General Ledger
As of November 30, 2019

Type	Date	Num	Adj	Name	Memo	Split	Debit	Credit	Balance
Total Computer & Office Equipment									2,500.00
Office Equipment (Over $500)									**0.00**
Total Office Equipment (Over $500)									0.00
Accounts Payable									**-9,614.00**
Bill	11/11/2019			Hamby Cables Inc.	INV# 124-90...	-SPLIT-		196.00	-9,810.00
Bill Pmt -Check	11/12/2019	5274		Natalie Chapman C...	(10/01/2007...	Company Che...	5,000.00		-4,810.00
Bill	11/28/2019			Hamby Cables Inc.	Inv#	-SPLIT-		340.00	-5,150.00
Bill	11/30/2019			Natalie Chapman C...	(11/01/2007...	-SPLIT-		2,800.00	-7,950.00
Bill Pmt -Check	11/30/2019	5290		Hamby Cables Inc.	INV# 124-90...	Company Che...	196.00		-7,754.00
Bill Pmt -Check	11/30/2019	5291		Hamby Cables Inc.	Inv#	Company Che...	197.00		-7,557.00
Total Accounts Payable							5,393.00	3,336.00	-7,557.00
Master Card Payable									**-1,029.33**
Credit Card Char...	11/04/2019			Electronics Supply...	computer su...	Supplies		39.58	-1,068.91
Credit Card Char...	11/24/2019			Local Coffee Shop...	coffee for o...	Supplies		23.90	-1,092.81
Credit Card Char...	11/24/2019			Pam's Floral	holiday deco...	Supplies		78.00	-1,170.81
Credit Card Char...	11/26/2019	2356...		Locksmith	new keys	Supplies		26.00	-1,196.81
Check	11/30/2019	5294		Major Credit Card C...	ACCT# 3786...	Company Che...	232.69		-964.12
Total Master Card Payable							232.69	167.48	-964.12
Visa Card Payable									**0.00**
Total Visa Card Payable									0.00
Customer Deposits/ Retainers									**-7,000.00**
Total Customer Deposits/ Retainers									-7,000.00

The first debit is for $5000.00 for an Bill Payment Check on an invoice from Natalie Chapman Consulting. When we click on it here is what we see, a check processed from payables for an invoice.

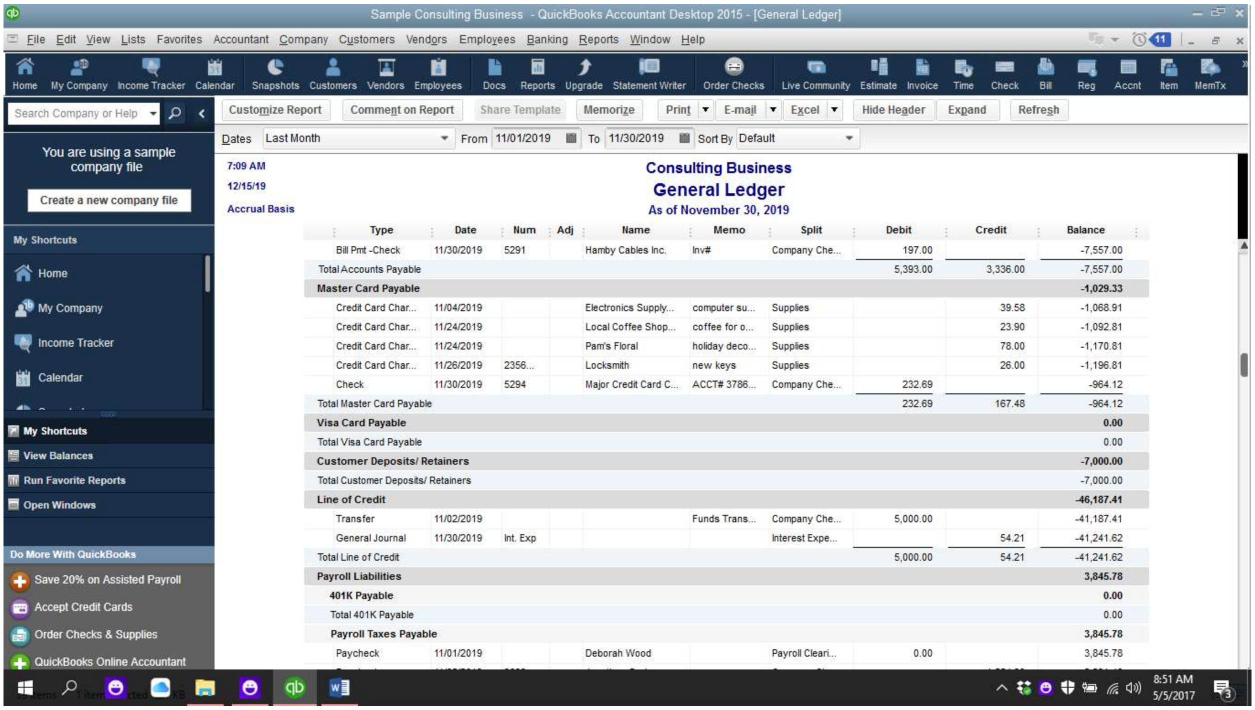


Next we see bill dated 11/30/2019 from Natalie Chapman Consulting for $2,800.00. We should click on it and investigate.



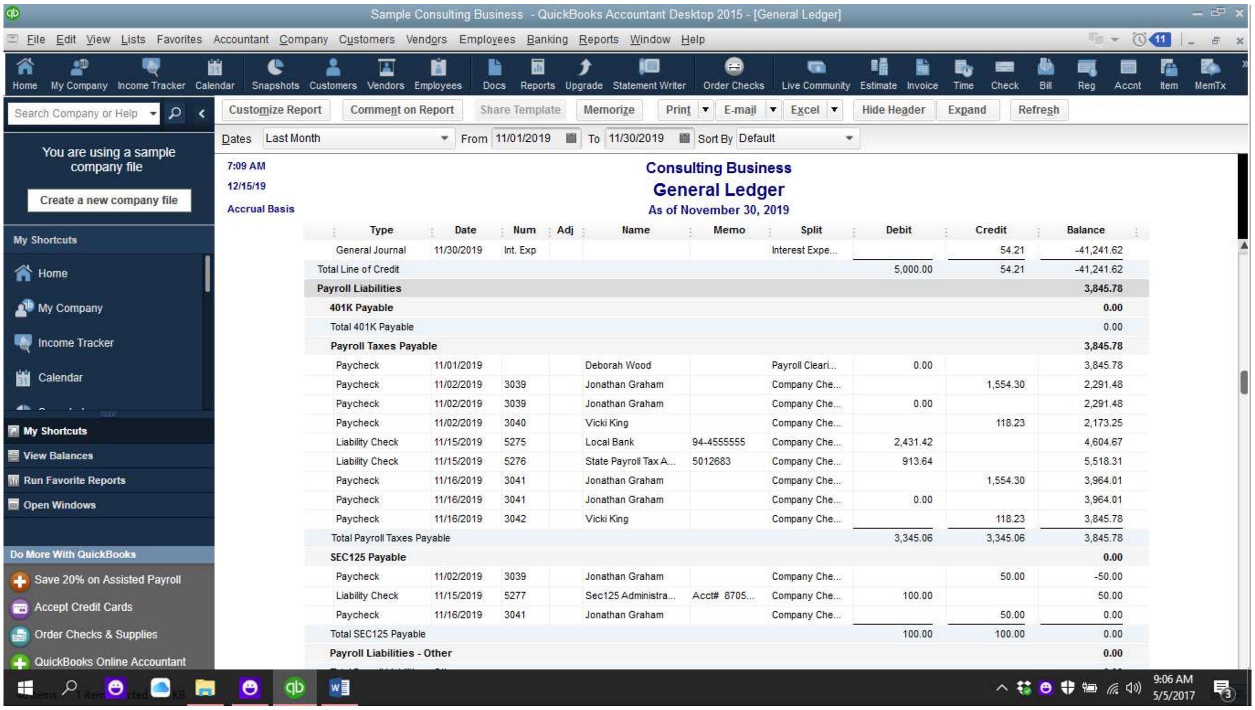
We see above this is the hours for Natalie Chapman for the month of November allocated to a project. It appears to be fine so we will move on. So again, we are just reviewing the prior month transactions to learn what happened, what did not happen, and all of the whys did that happen.

The next screen shot is of a credit cards and the line of credit. For the Master Card Payable this is obviously a credit card with some small purchases and a small payment. You would just skim through this and check the transactions. You see there was $167.48 in new charges and a payment of $232.69 was paid.



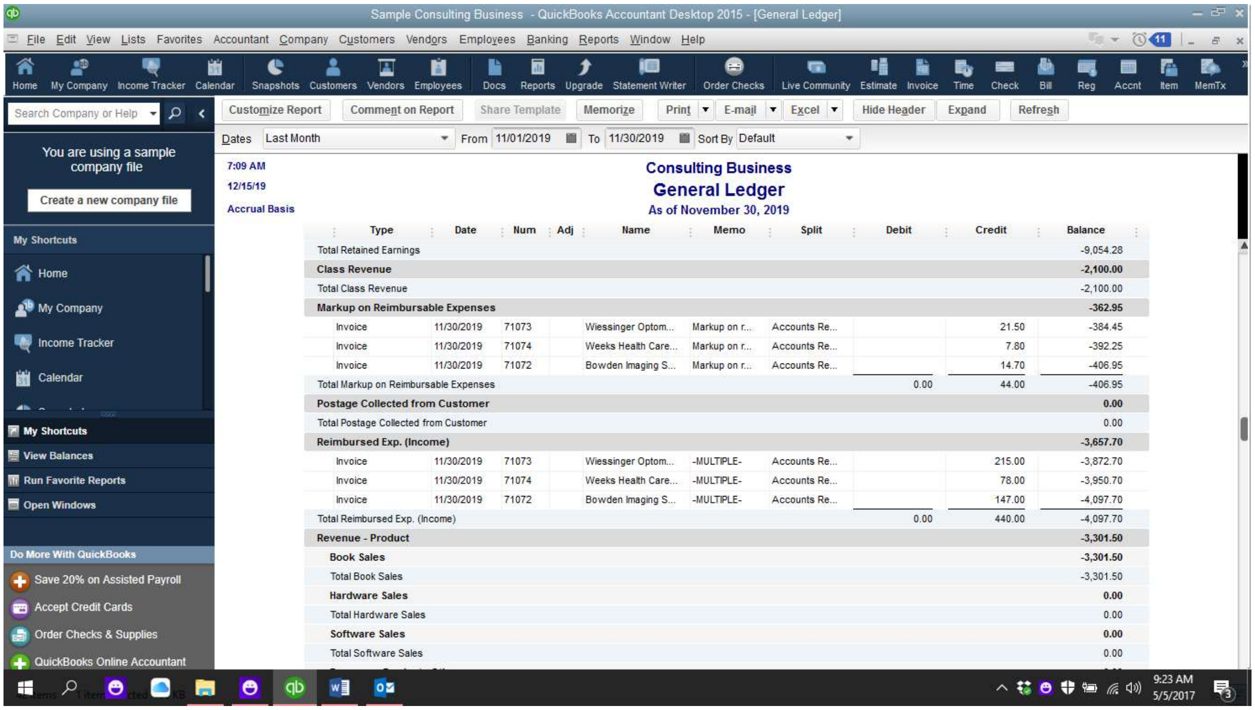
The Line of credit shows you paid down the loan by $5000.00 and you had $54.21 of interest expense from the bank. You should compare your bank loan statement balance to your Line of Credit balance every month to make sure they are the same number. This is important because a common error is when you draw-off of the line of credit the deposit in cash can be recorded as revenue. And you could pay income tax on it.

Here are the payroll liabilities. As you can see, the paychecks increase the liability with credits to the account from the paychecks. Then you see the payment of the liabilities on the 15th of the month.

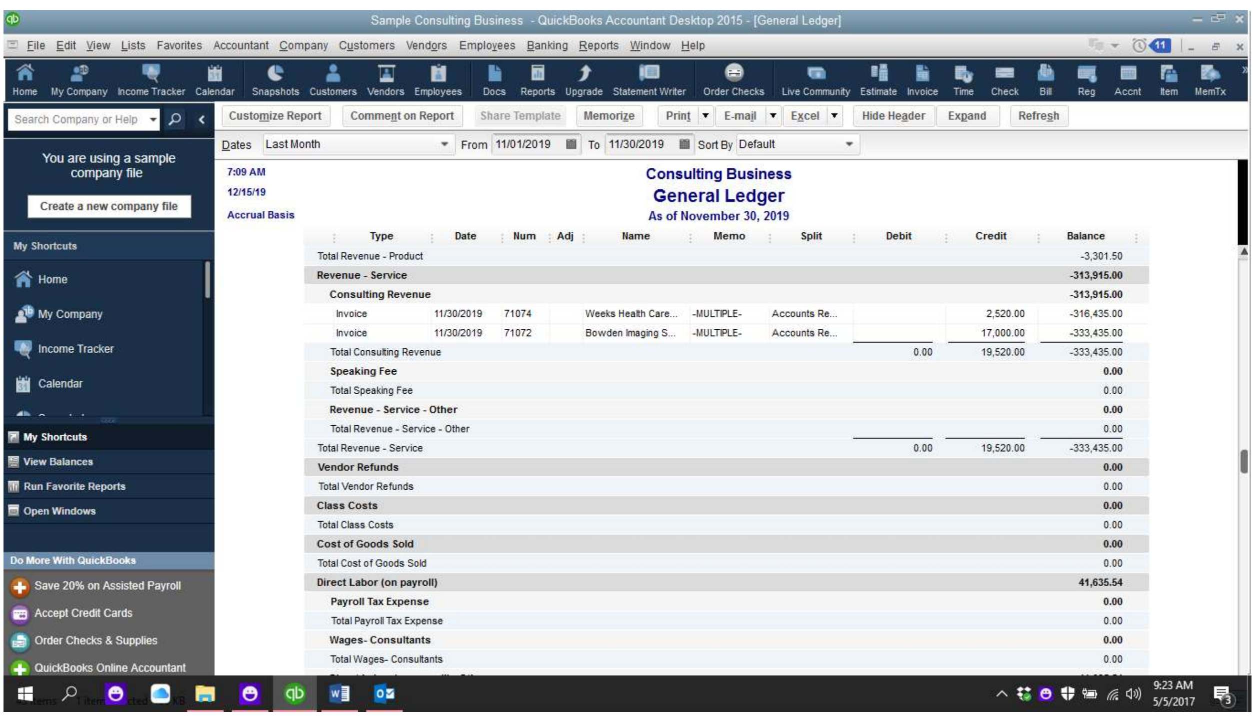


As we continue to scroll through the General Ledger, we arrive at Revenue. You will notice we have already seen some of these transactions. They are not in here twice, we are now seeing the other side of the transaction. Remember every transaction has two sides a debit and a credit.

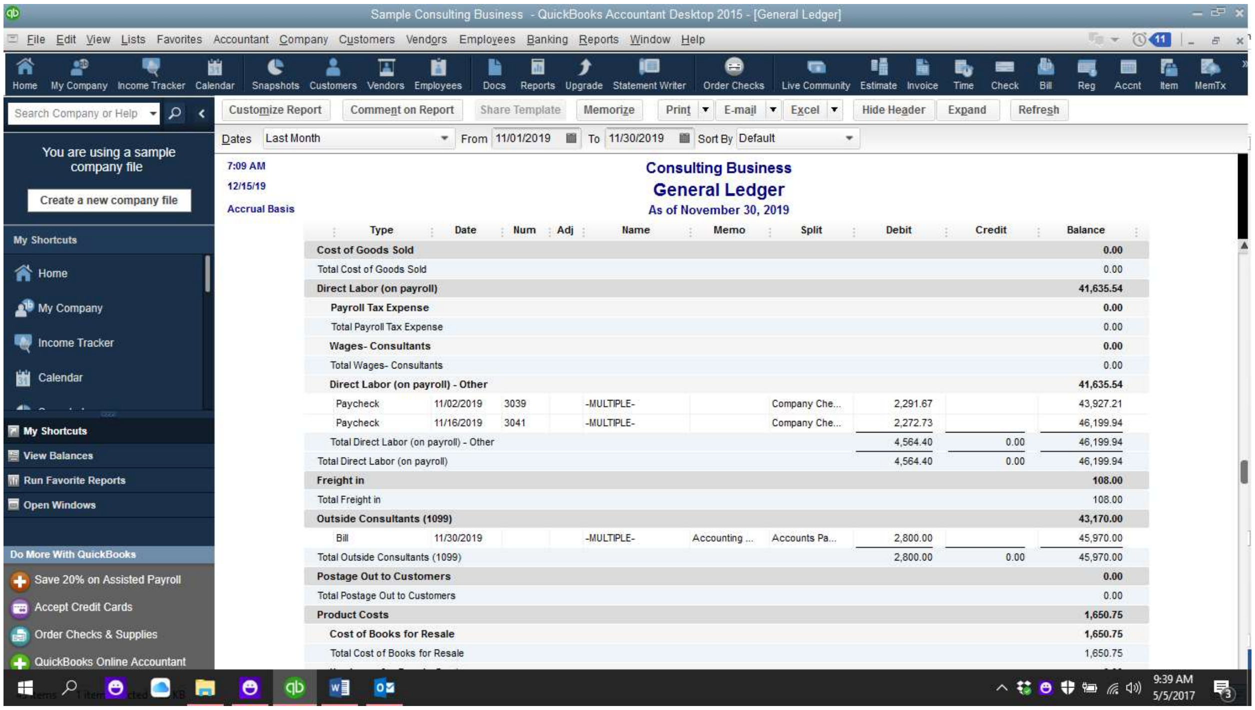
So we begin with the company invoice the client expenses. It is common for some consultants and attorneys to bill for client expenses. These are offset by the payment of the actual expense.



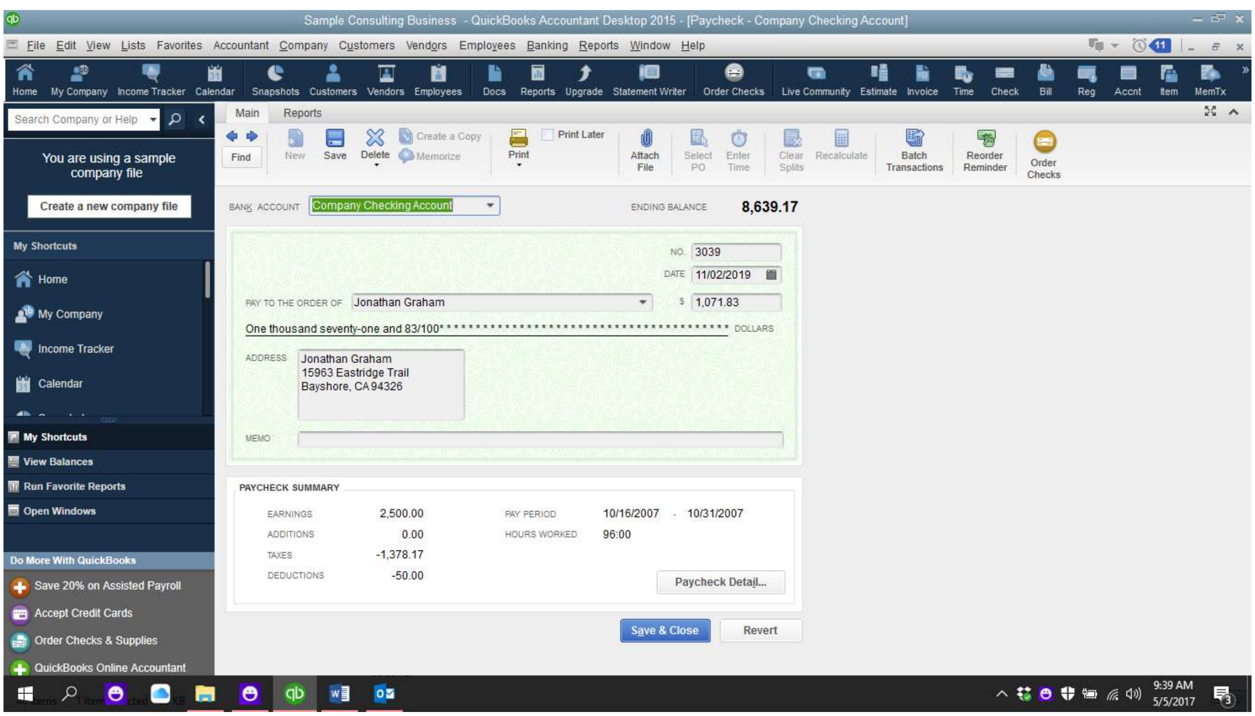
We already reviewed the invoices when we went through the Accounts Receivable, so we will not review them again. Here is how they look in the revenue account.



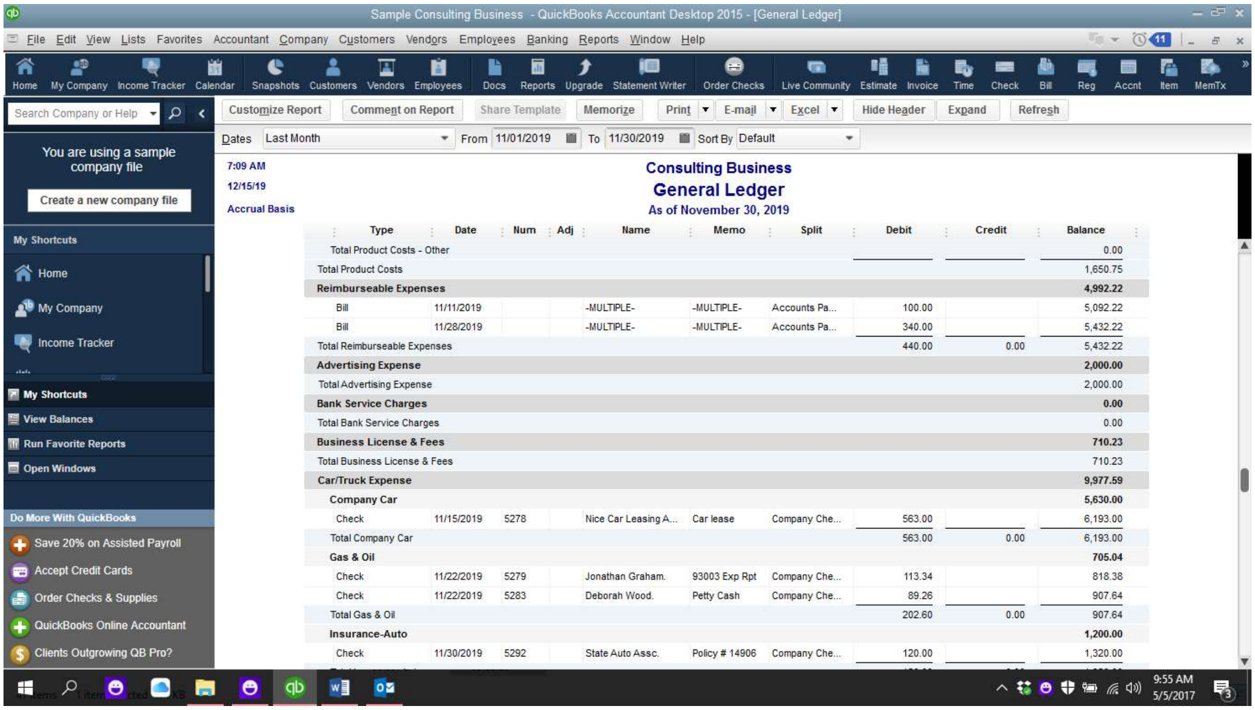
Finally, we get down to the expenses. As you recall, the General Ledger will start with assets, then move to liabilities, then to be followed by equity, then revenue, and finally expenses.



Here is the payroll. They are classify here as Direct Labor. We click on the first paycheck and here is the detail. You also see above the bill from Natalie Chapman Consulting for $2,800 which we already reviewed.



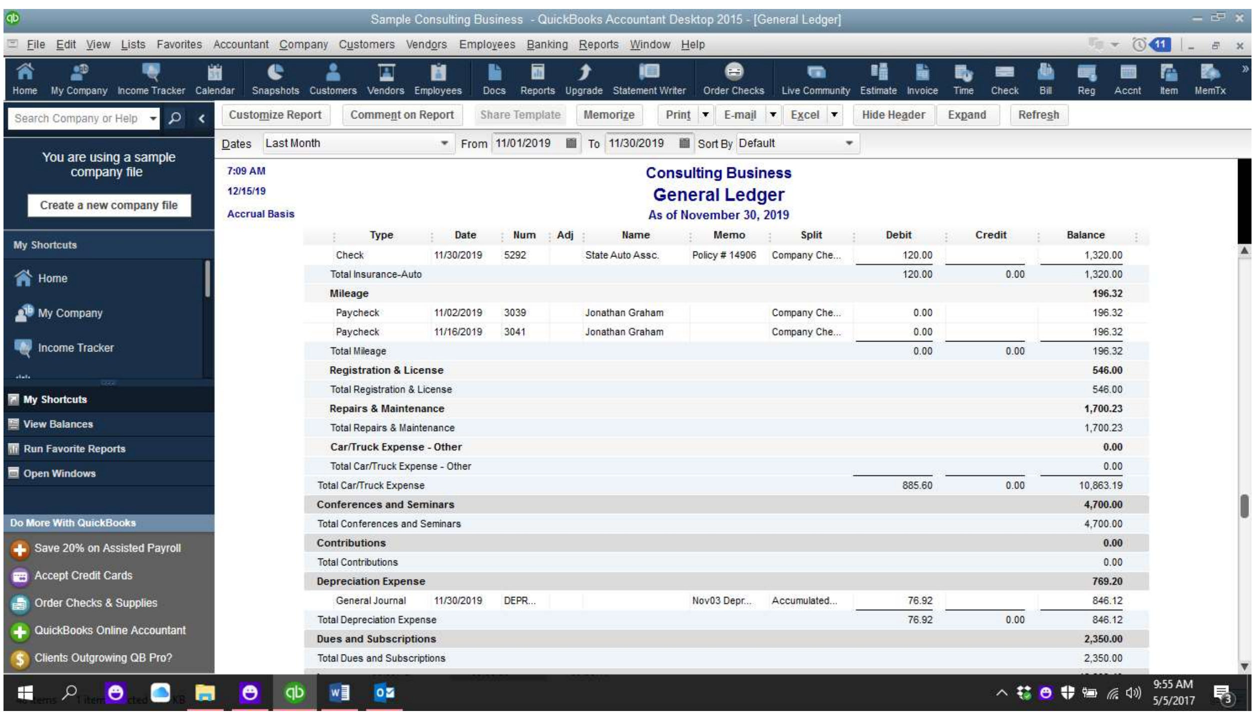
I am going to put a lot of screen shots in a row so you can see the expense side of the general ledger.



7:09 AM
12/15/19
Accrual Basis

Consulting Business
General Ledger
As of November 30, 2019

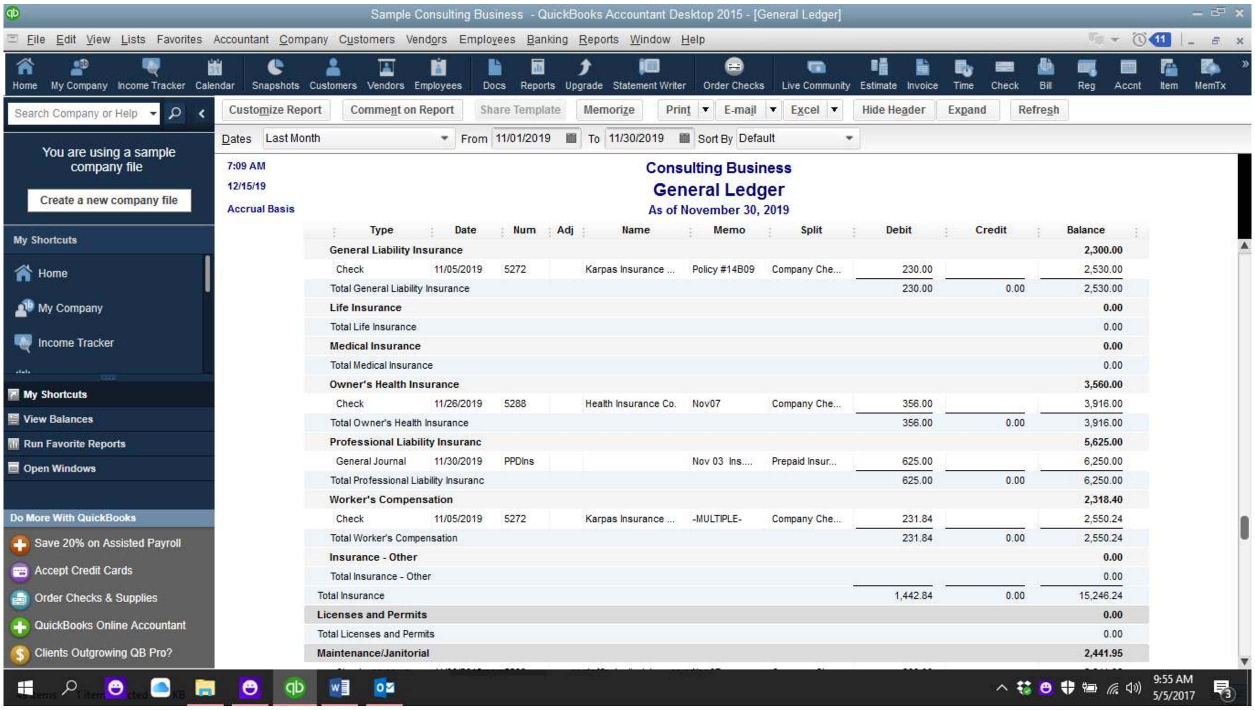
Type	Date	Num	Adj	Name	Memo	Split	Debit	Credit	Balance
Total Product Costs - Other									0.00
Total Product Costs									1,650.75
Reimburseable Expenses									**4,992.22**
Bill	11/11/2019			-MULTIPLE-	-MULTIPLE-	Accounts Pa...	100.00		5,092.22
Bill	11/28/2019			-MULTIPLE-	-MULTIPLE-	Accounts Pa...	340.00		5,432.22
Total Reimburseable Expenses							440.00	0.00	5,432.22
Advertising Expense									**2,000.00**
Total Advertising Expense									2,000.00
Bank Service Charges									**0.00**
Total Bank Service Charges									0.00
Business License & Fees									**710.23**
Total Business License & Fees									710.23
Car/Truck Expense									**9,977.59**
Company Car									**5,630.00**
Check	11/15/2019	5278		Nice Car Leasing A...	Car lease	Company Che...	563.00		6,193.00
Total Company Car							563.00	0.00	6,193.00
Gas & Oil									**705.04**
Check	11/22/2019	5279		Jonathan Graham.	93003 Exp Rpt	Company Che...	113.34		818.38
Check	11/22/2019	5283		Deborah Wood.	Petty Cash	Company Che...	89.26		907.64
Total Gas & Oil							202.60	0.00	907.64
Insurance-Auto									**1,200.00**
Check	11/30/2019	5292		State Auto Assc.	Policy # 14906	Company Che...	120.00		1,320.00



7:09 AM
12/15/19
Accrual Basis

Consulting Business
General Ledger
As of November 30, 2019

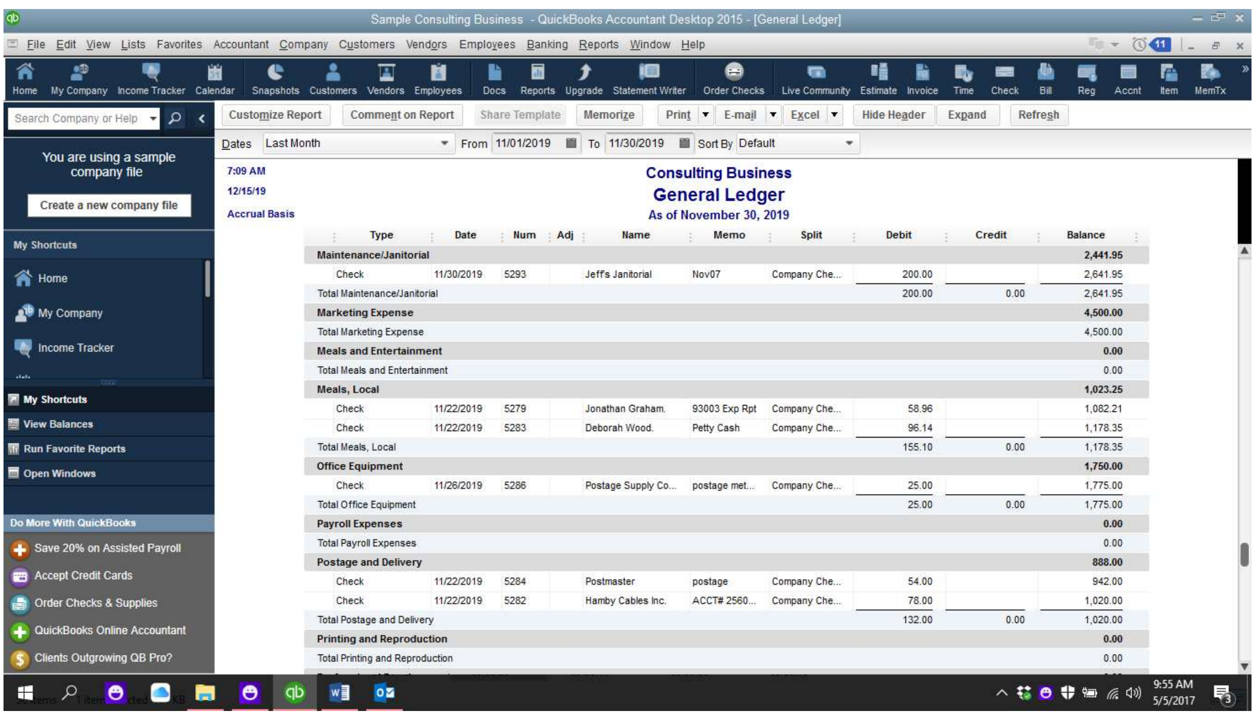
Type	Date	Num	Adj	Name	Memo	Split	Debit	Credit	Balance
Check	11/30/2019	5292		State Auto Assc.	Policy # 14906	Company Che...	120.00		1,320.00
Total Insurance-Auto							120.00	0.00	1,320.00
Mileage									**196.32**
Paycheck	11/02/2019	3039		Jonathan Graham		Company Che...	0.00		196.32
Paycheck	11/16/2019	3041		Jonathan Graham		Company Che...	0.00		196.32
Total Mileage							0.00	0.00	196.32
Registration & License									**546.00**
Total Registration & License									546.00
Repairs & Maintenance									**1,700.23**
Total Repairs & Maintenance									1,700.23
Car/Truck Expense - Other									**0.00**
Total Car/Truck Expense - Other									0.00
Total Car/Truck Expense							885.60	0.00	10,863.19
Conferences and Seminars									**4,700.00**
Total Conferences and Seminars									4,700.00
Contributions									**0.00**
Total Contributions									0.00
Depreciation Expense									**769.20**
General Journal	11/30/2019	DEPR...			Nov03 Depr...	Accumulated...	76.92		846.12
Total Depreciation Expense							76.92	0.00	846.12
Dues and Subscriptions									**2,350.00**
Total Dues and Subscriptions									2,350.00



Consulting Business
General Ledger
As of November 30, 2019

7:09 AM
12/15/19
Accrual Basis

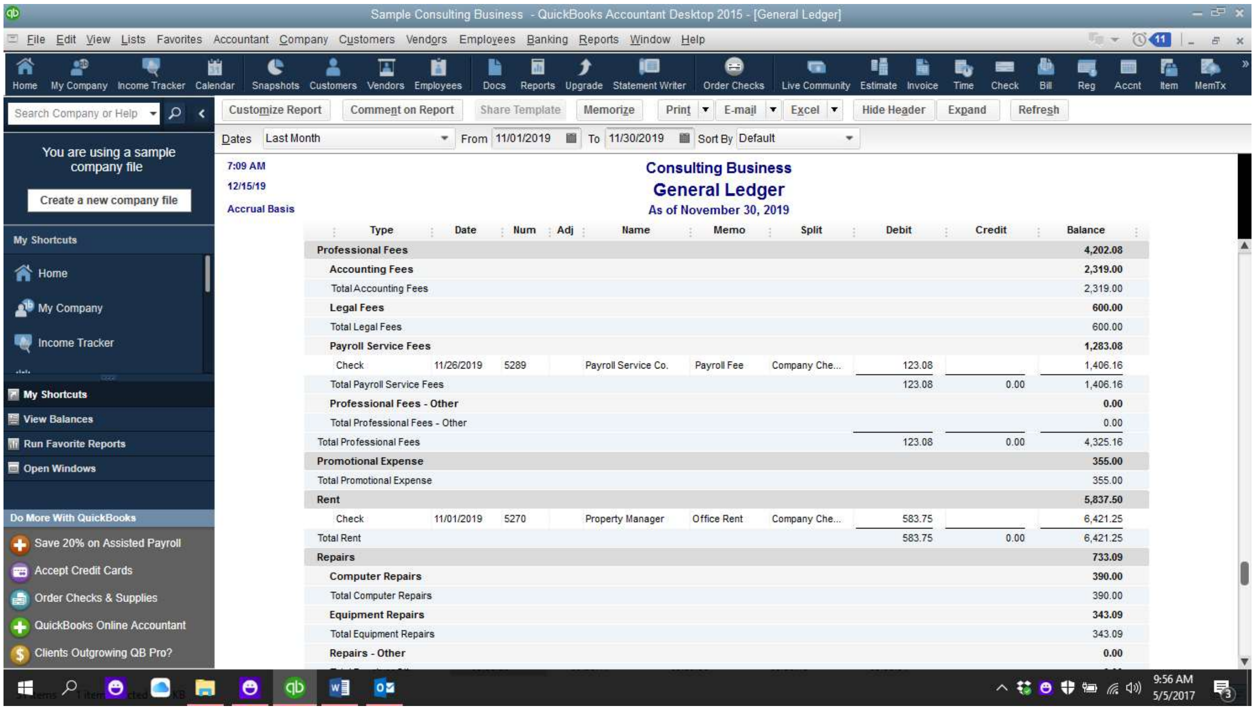
Type	Date	Num	Adj	Name	Memo	Split	Debit	Credit	Balance
General Liability Insurance									2,300.00
Check	11/05/2019	5272		Karpas Insurance ...	Policy #14B09	Company Che...	230.00		2,530.00
Total General Liability Insurance							230.00	0.00	2,530.00
Life Insurance									0.00
Total Life Insurance									0.00
Medical Insurance									0.00
Total Medical Insurance									0.00
Owner's Health Insurance									3,560.00
Check	11/26/2019	5288		Health Insurance Co.	Nov07	Company Che...	356.00		3,916.00
Total Owner's Health Insurance							356.00	0.00	3,916.00
Professional Liability Insuranc									5,625.00
General Journal	11/30/2019	PPDIns			Nov 03 Ins....	Prepaid Insur...	625.00		6,250.00
Total Professional Liability Insuranc							625.00	0.00	6,250.00
Worker's Compensation									2,318.40
Check	11/05/2019	5272		Karpas Insurance ...	-MULTIPLE-	Company Che...	231.84		2,550.24
Total Worker's Compensation							231.84	0.00	2,550.24
Insurance - Other									0.00
Total Insurance - Other									0.00
Total Insurance							1,442.84	0.00	15,246.24
Licenses and Permits									0.00
Total Licenses and Permits									0.00
Maintenance/Janitorial									2,441.95



Consulting Business
General Ledger
As of November 30, 2019

7:09 AM
12/15/19
Accrual Basis

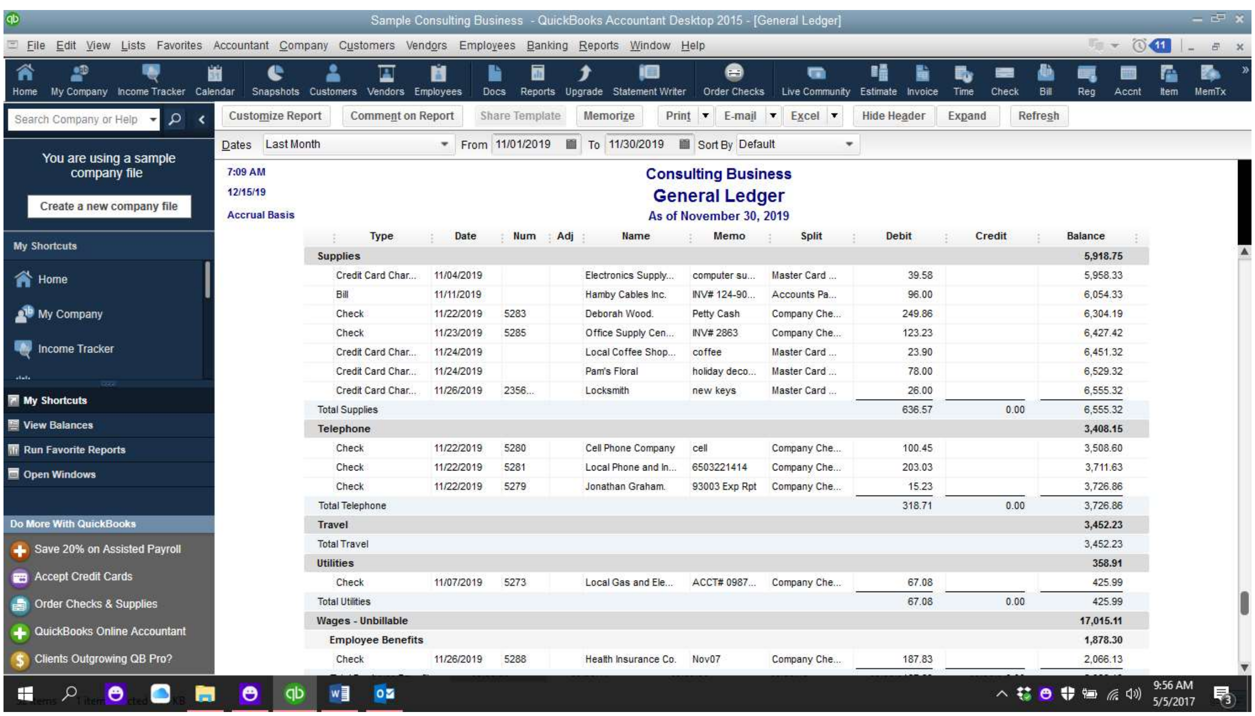
Type	Date	Num	Adj	Name	Memo	Split	Debit	Credit	Balance
Maintenance/Janitorial									2,441.95
Check	11/30/2019	5293		Jeff's Janitorial	Nov07	Company Che...	200.00		2,641.95
Total Maintenance/Janitorial							200.00	0.00	2,641.95
Marketing Expense									4,500.00
Total Marketing Expense									4,500.00
Meals and Entertainment									0.00
Total Meals and Entertainment									0.00
Meals, Local									1,023.25
Check	11/22/2019	5279		Jonathan Graham.	93003 Exp Rpt	Company Che...	58.96		1,082.21
Check	11/22/2019	5283		Deborah Wood.	Petty Cash	Company Che...	96.14		1,178.35
Total Meals, Local							155.10	0.00	1,178.35
Office Equipment									1,750.00
Check	11/26/2019	5286		Postage Supply Co...	postage met...	Company Che...	25.00		1,775.00
Total Office Equipment							25.00	0.00	1,775.00
Payroll Expenses									0.00
Total Payroll Expenses									0.00
Postage and Delivery									888.00
Check	11/22/2019	5284		Postmaster	postage	Company Che...	54.00		942.00
Check	11/22/2019	5282		Hamby Cables Inc.	ACCT# 2560...	Company Che...	78.00		1,020.00
Total Postage and Delivery							132.00	0.00	1,020.00
Printing and Reproduction									0.00
Total Printing and Reproduction									0.00



Consulting Business
General Ledger
As of November 30, 2019

7:09 AM
12/15/19
Accrual Basis

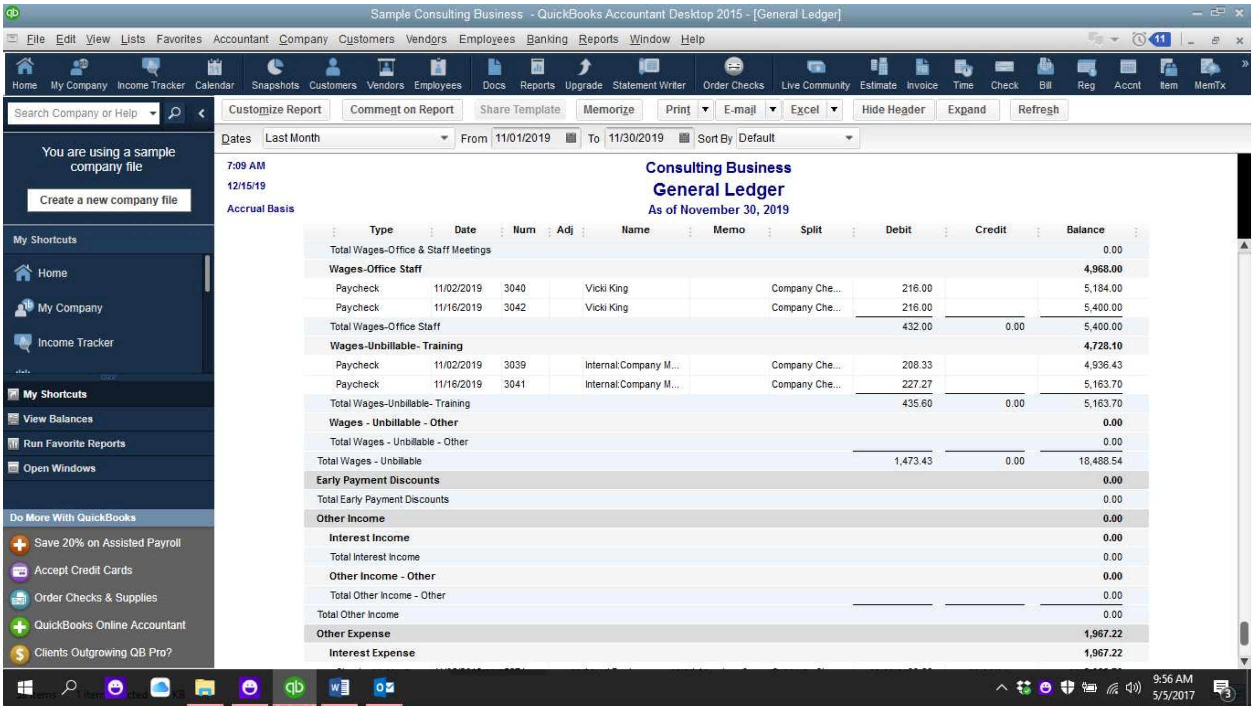
	Type	Date	Num	Adj	Name	Memo	Split	Debit	Credit	Balance
Professional Fees										**4,202.08**
Accounting Fees										**2,319.00**
Total Accounting Fees										2,319.00
Legal Fees										**600.00**
Total Legal Fees										600.00
Payroll Service Fees										**1,283.08**
	Check	11/26/2019	5289		Payroll Service Co.	Payroll Fee	Company Che...	123.08		1,406.16
Total Payroll Service Fees								123.08	0.00	1,406.16
Professional Fees - Other										**0.00**
Total Professional Fees - Other										0.00
Total Professional Fees								123.08	0.00	4,325.16
Promotional Expense										**355.00**
Total Promotional Expense										355.00
Rent										**5,837.50**
	Check	11/01/2019	5270		Property Manager	Office Rent	Company Che...	583.75		6,421.25
Total Rent								583.75	0.00	6,421.25
Repairs										**733.09**
Computer Repairs										**390.00**
Total Computer Repairs										390.00
Equipment Repairs										**343.09**
Total Equipment Repairs										343.09
Repairs - Other										**0.00**

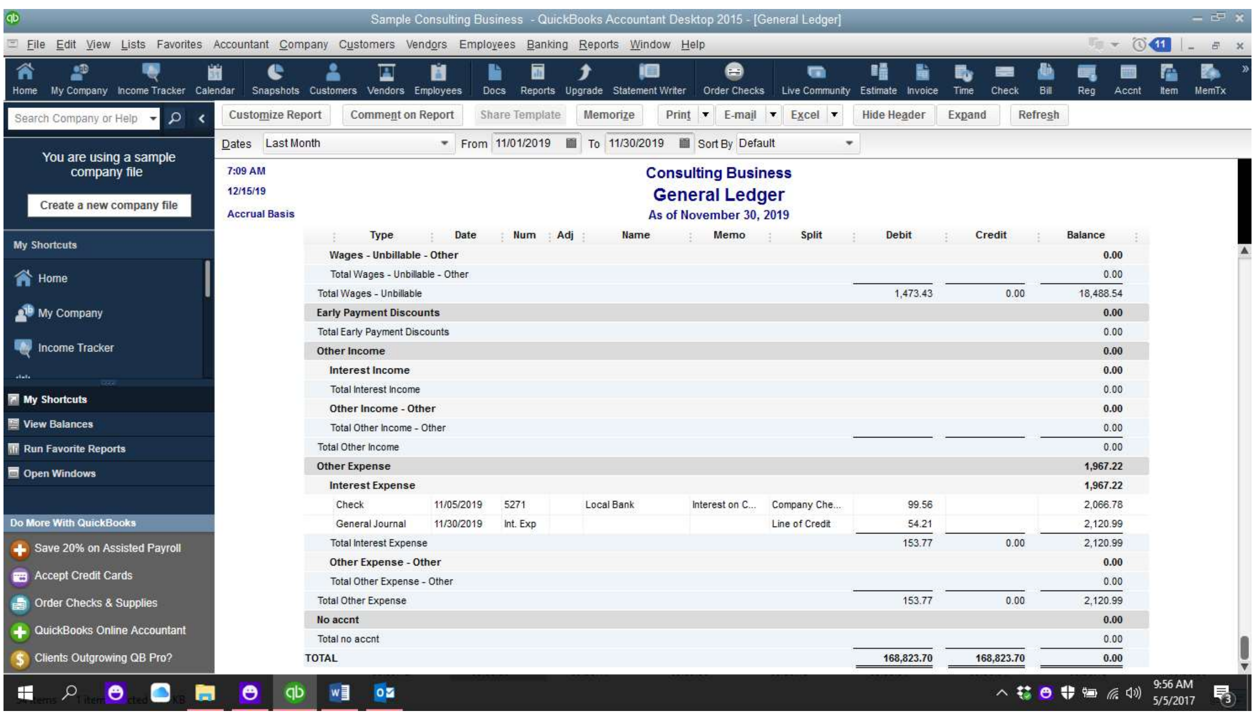


Consulting Business
General Ledger
As of November 30, 2019

7:09 AM
12/15/19
Accrual Basis

	Type	Date	Num	Adj	Name	Memo	Split	Debit	Credit	Balance
Supplies										**5,918.75**
	Credit Card Char...	11/04/2019			Electronics Supply...	computer su...	Master Card ...	39.58		5,958.33
	Bill	11/11/2019			Hamby Cables Inc.	INV# 124-90...	Accounts Pa...	96.00		6,054.33
	Check	11/22/2019	5283		Deborah Wood.	Petty Cash	Company Che...	249.86		6,304.19
	Check	11/23/2019	5285		Office Supply Cen...	INV# 2863	Company Che...	123.23		6,427.42
	Credit Card Char...	11/24/2019			Local Coffee Shop...	coffee	Master Card ...	23.90		6,451.32
	Credit Card Char...	11/24/2019			Pam's Floral	holiday deco...	Master Card ...	78.00		6,529.32
	Credit Card Char...	11/26/2019	2356...		Locksmith	new keys	Master Card ...	26.00		6,555.32
Total Supplies								636.57	0.00	6,555.32
Telephone										**3,408.15**
	Check	11/22/2019	5280		Cell Phone Company	cell	Company Che...	100.45		3,508.60
	Check	11/22/2019	5281		Local Phone and In...	6503221414	Company Che...	203.03		3,711.63
	Check	11/22/2019	5279		Jonathan Graham.	93003 Exp Rpt	Company Che...	15.23		3,726.86
Total Telephone								318.71	0.00	3,726.86
Travel										**3,452.23**
Total Travel										3,452.23
Utilities										**358.91**
	Check	11/07/2019	5273		Local Gas and Ele...	ACCT# 0987...	Company Che...	67.08		425.99
Total Utilities								67.08	0.00	425.99
Wages - Unbillable										**17,015.11**
Employee Benefits										**1,878.30**
	Check	11/26/2019	5288		Health Insurance Co.	Nov07	Company Che...	187.83		2,066.13





The purpose of the General Ledger report is for you to review all of your transactions. Your objective is to make sure everything is classified correctly; there are no missing transactions, find unnecessary expenses which could be eliminated, and have your finger on the pulse of what is going on in your company.

The Drip Account.

When you find expenses that should have been canceled or other unnecessary expenses, you discover by reviewing your General Ledger. You should create a new bank savings account. What you do with this new bank account is to have those amounts you spent on unnecessary expenses to be automatically put into this drip account. So it is a savings plan for the money you had been wasting. This money is now automatically transferred to your new savings account. The nice thing about this account is this is money you discovered, and you will not miss it from your business. The drip account will allow you to turn wasted money into a savings plan. The good news is in a year this could add up to some serious money.

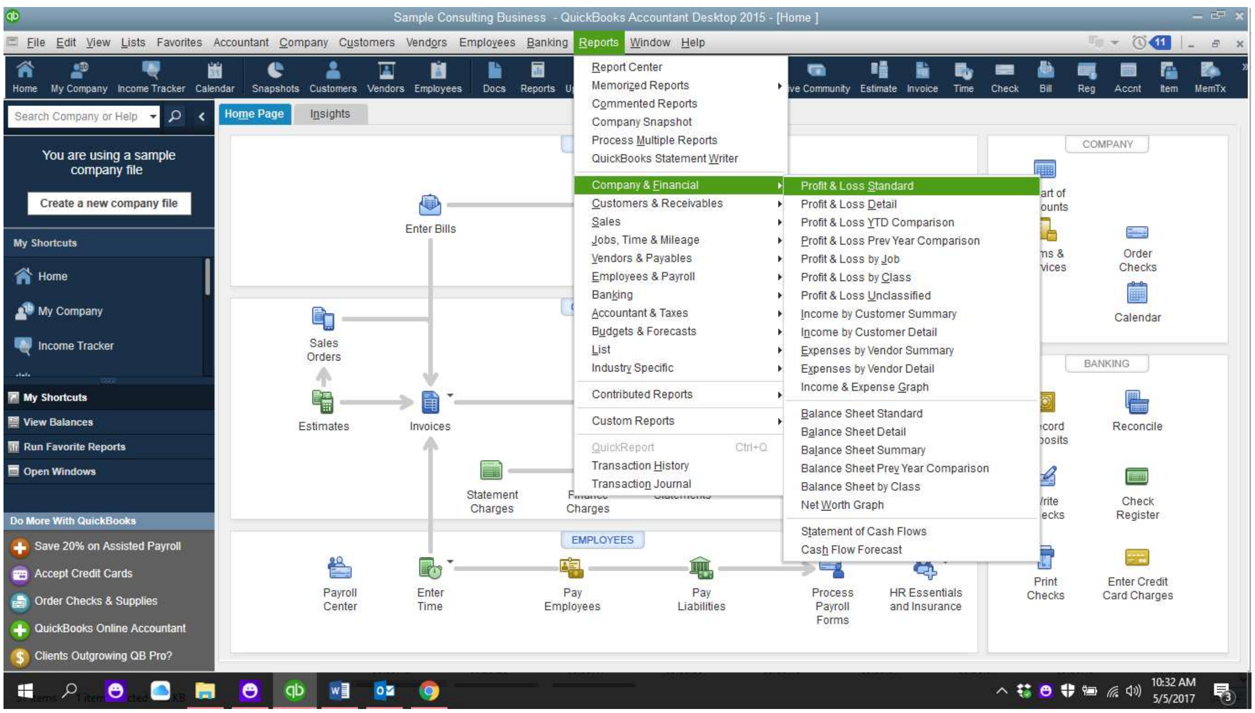
Chapter 7

The Profit & Loss Month by Month

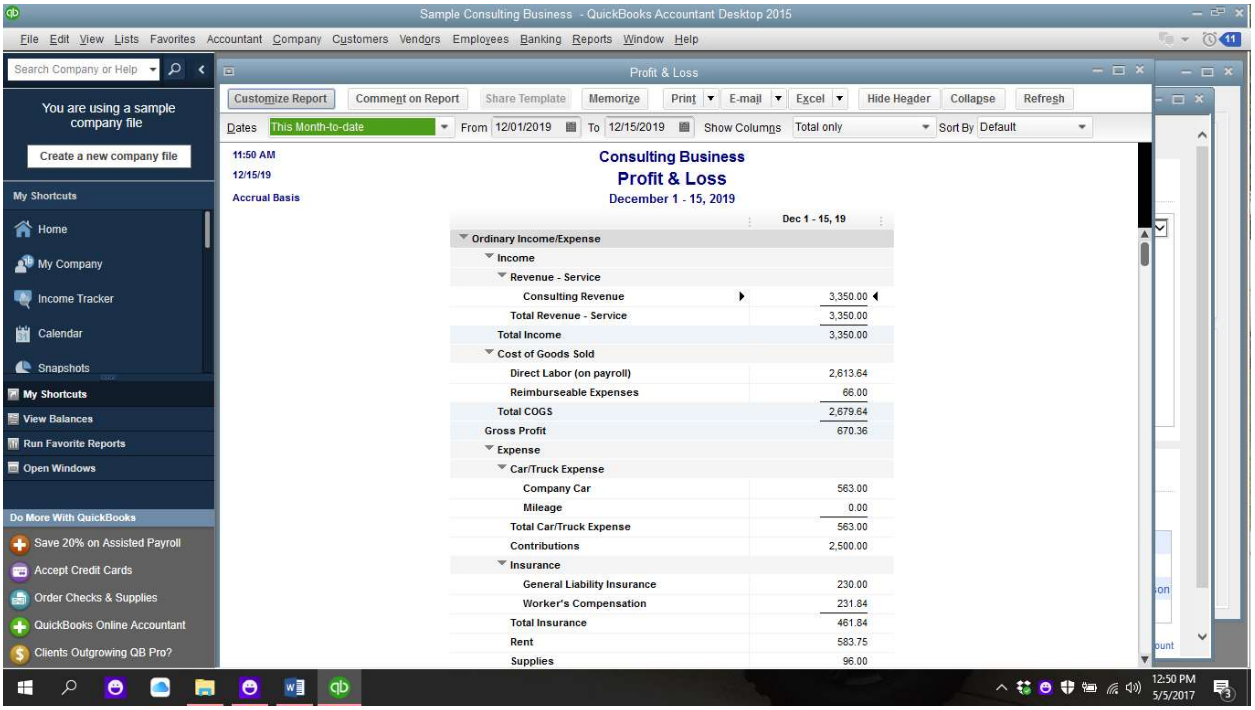
This next lesson is really cool. I call this the Profit and Loss By Month. This is a very powerful tool for identifying trends in your business. The nice thing is this report is very visual. It basically takes a summary view of the General Ledger but makes it so you can see trends.

I will walk you through this step by step in QuickBooks 2015. This report is a basic Profit and Loss but we make a couple of modifications, and the usefulness of the report explodes. Once you create this, simply just memorize it in QuickBooks. I am going to show you this on a monthly example, however, I use it on a daily, weekly, and even yearly.

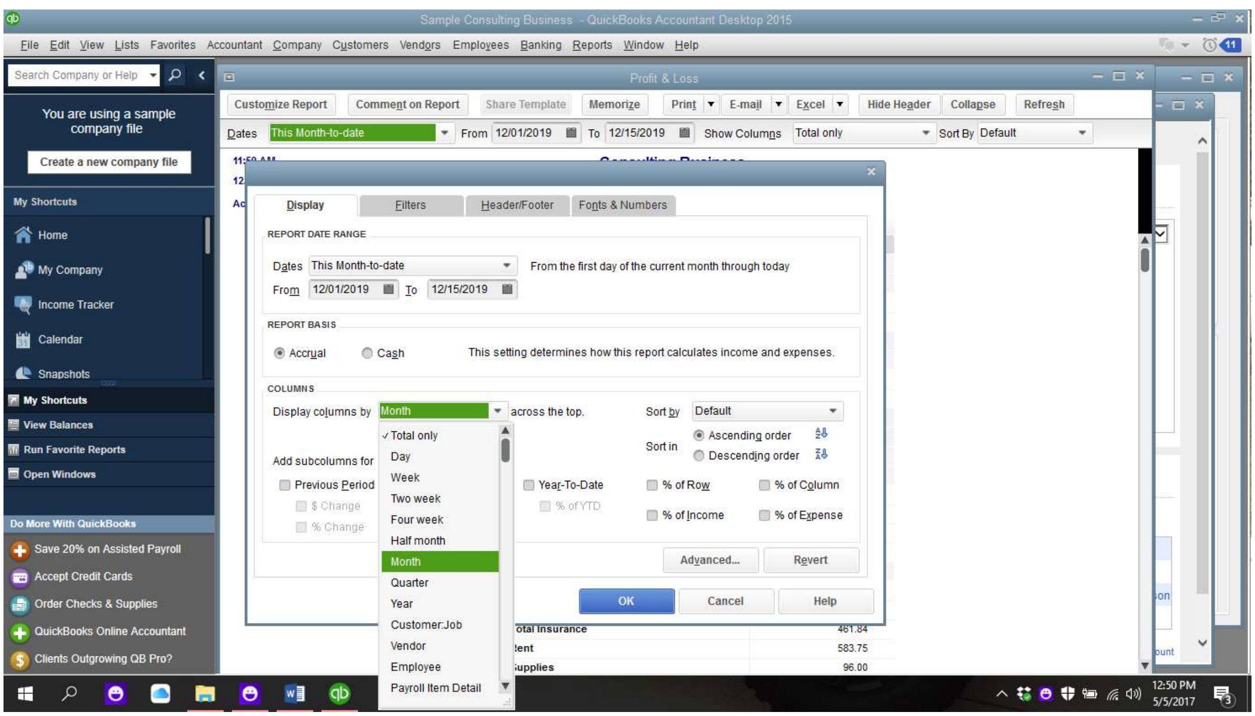
Let's by creating a normal Profit and Loss Statement.



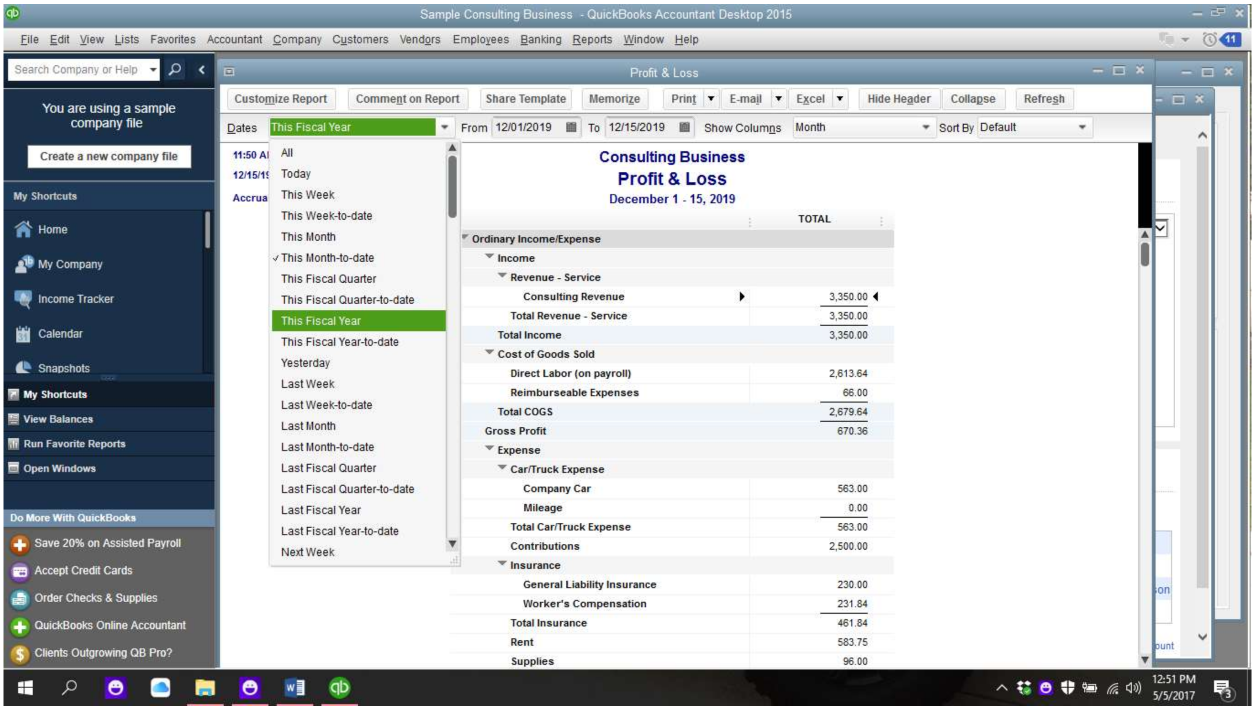
Once you have this, next click the Customize Button on the top left.



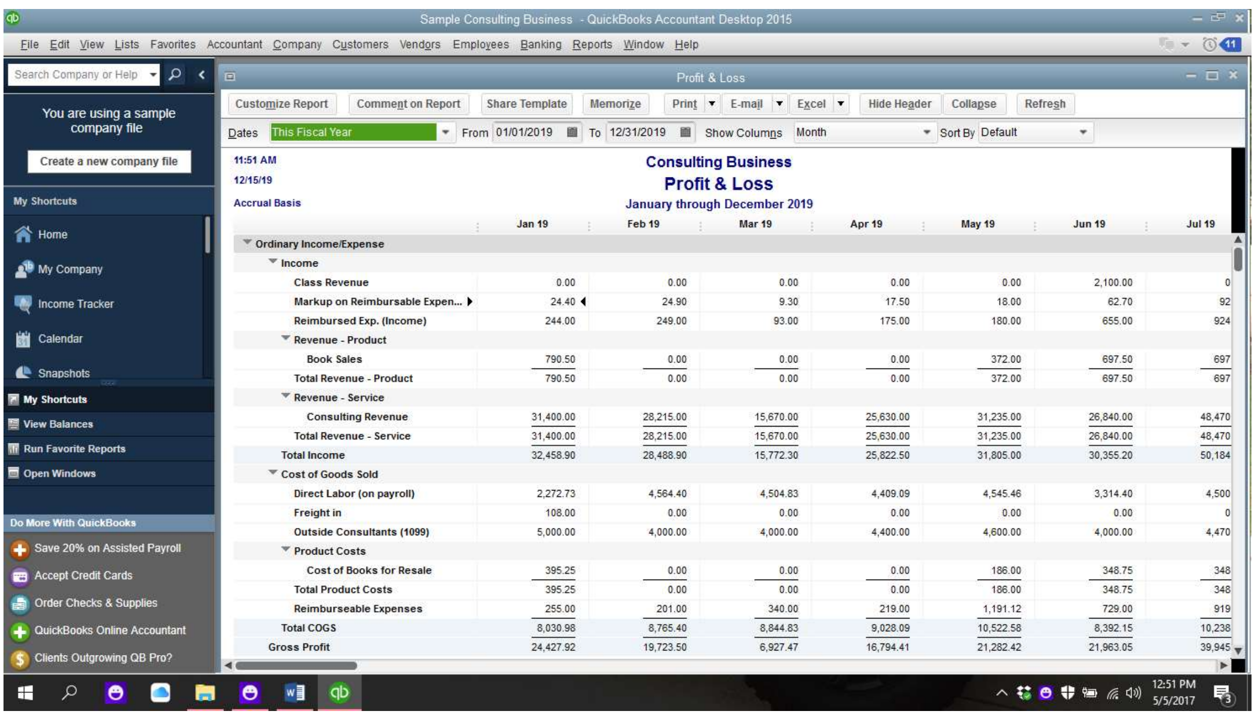
Then change the Display columns by, change this from Total to Month.



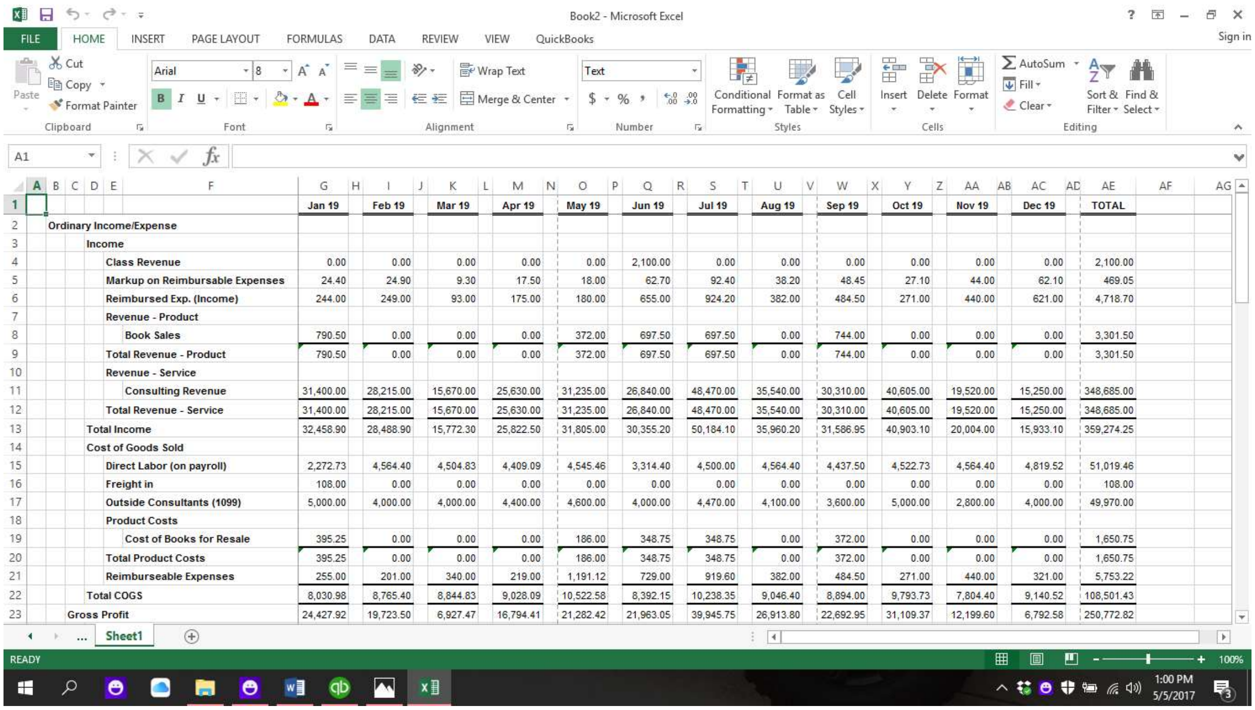
Then change the time period to this fiscal year.



And you get a Profit and Loss Statement that puts January through December right next to each other in one report.

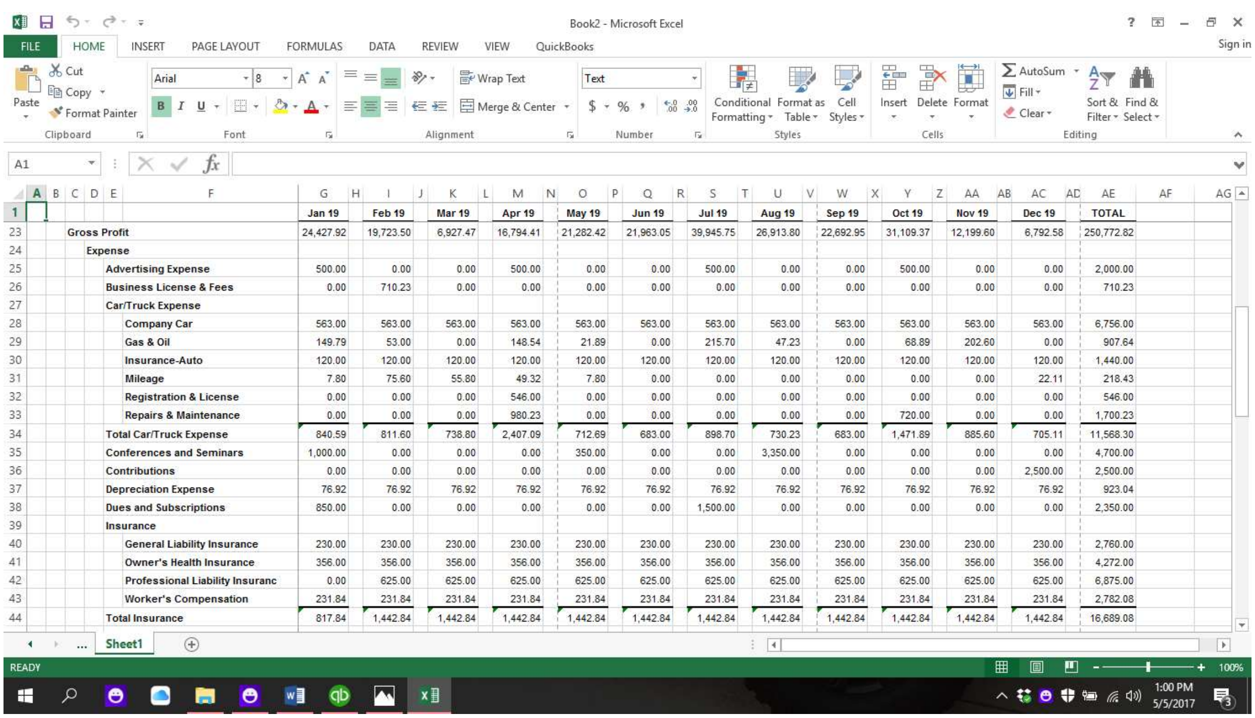


Now to make this report fit better in the book I am going to export this report to Excel. This will allow us to see the report better. I can get the entire 12 months in one picture, but will have to do several screens to get all of the expenses in.



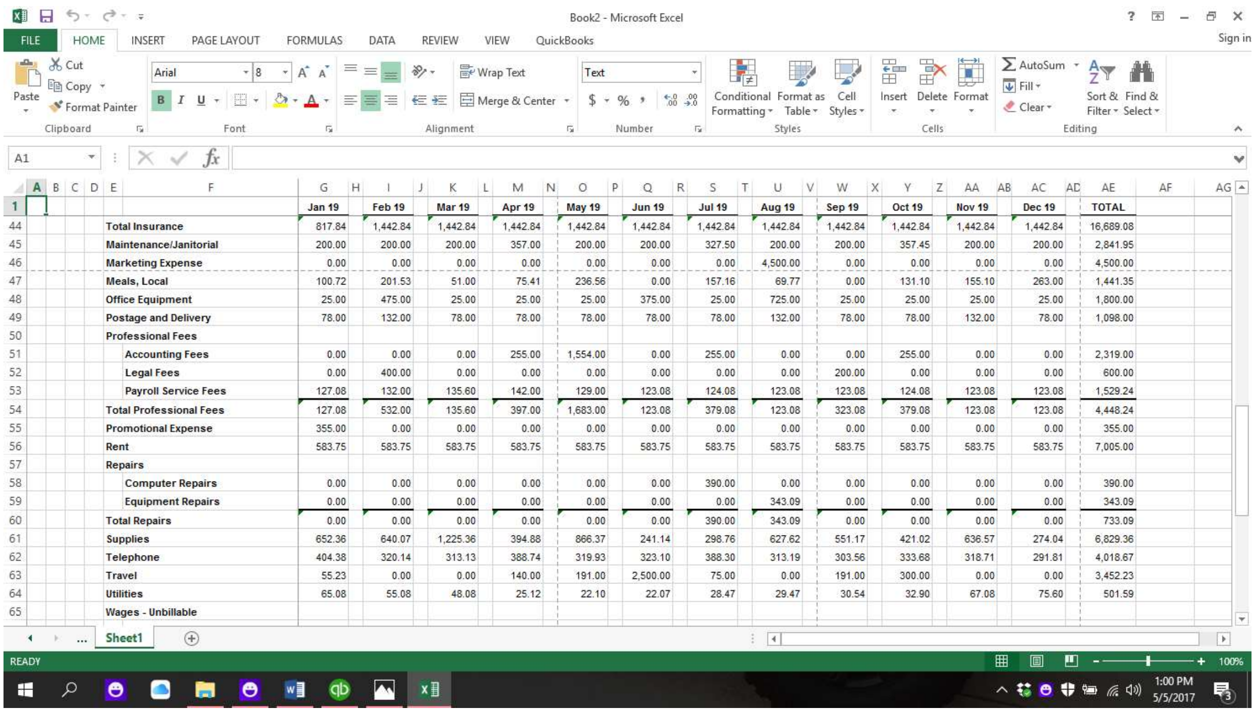
	Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	Jul 19	Aug 19	Sep 19	Oct 19	Nov 19	Dec 19	TOTAL
Ordinary Income/Expense													
Income													
Class Revenue	0.00	0.00	0.00	0.00	0.00	2,100.00	0.00	0.00	0.00	0.00	0.00	0.00	2,100.00
Markup on Reimbursable Expenses	24.40	24.90	9.30	17.50	18.00	62.70	92.40	38.20	48.45	27.10	44.00	62.10	469.05
Reimbursed Exp. (Income)	244.00	249.00	93.00	175.00	180.00	655.00	924.20	382.00	484.50	271.00	440.00	621.00	4,718.70
Revenue - Product													
Book Sales	790.50	0.00	0.00	0.00	372.00	697.50	697.50	0.00	744.00	0.00	0.00	0.00	3,301.50
Total Revenue - Product	790.50	0.00	0.00	0.00	372.00	697.50	697.50	0.00	744.00	0.00	0.00	0.00	3,301.50
Revenue - Service													
Consulting Revenue	31,400.00	28,215.00	15,670.00	25,630.00	31,235.00	26,840.00	48,470.00	35,540.00	30,310.00	40,605.00	19,520.00	15,250.00	348,685.00
Total Revenue - Service	31,400.00	28,215.00	15,670.00	25,630.00	31,235.00	26,840.00	48,470.00	35,540.00	30,310.00	40,605.00	19,520.00	15,250.00	348,685.00
Total Income	32,458.90	28,488.90	15,772.30	25,822.50	31,805.00	30,355.20	50,184.10	35,960.20	31,586.95	40,903.10	20,004.00	15,933.10	359,274.25
Cost of Goods Sold													
Direct Labor (on payroll)	2,272.73	4,564.40	4,504.83	4,409.09	4,545.46	3,314.40	4,500.00	4,564.40	4,437.50	4,522.73	4,564.40	4,819.52	51,019.46
Freight in	108.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	108.00
Outside Consultants (1099)	5,000.00	4,000.00	4,000.00	4,400.00	4,600.00	4,000.00	4,470.00	4,100.00	3,600.00	5,000.00	2,800.00	4,000.00	49,970.00
Product Costs													
Cost of Books for Resale	395.25	0.00	0.00	0.00	186.00	348.75	348.75	0.00	372.00	0.00	0.00	0.00	1,650.75
Total Product Costs	395.25	0.00	0.00	0.00	186.00	348.75	348.75	0.00	372.00	0.00	0.00	0.00	1,650.75
Reimburseable Expenses	255.00	201.00	340.00	219.00	1,191.12	729.00	919.60	382.00	484.50	271.00	440.00	321.00	5,753.22
Total COGS	8,030.98	8,765.40	8,844.83	9,028.09	10,522.58	8,392.15	10,238.35	9,046.40	8,894.00	9,793.73	7,804.40	9,140.52	108,501.43
Gross Profit	24,427.92	19,723.50	6,927.47	16,794.41	21,282.42	21,963.05	39,945.75	26,913.80	22,692.95	31,109.37	12,199.60	6,792.58	250,772.82

So this is great in this shot we can see revenue by month for the whole year. Revenue fluctuates greatly from the low of $15,250 in December to the high of $48,470 in July. In your QuickBooks report, you can click on any month, and you can see all of the invoices for that period. So revenue is all over the map on month by month basis. But interesting enough, the Direct Labor and Outside Consulting expense is pretty consistent with a variance by month of about $3,000.



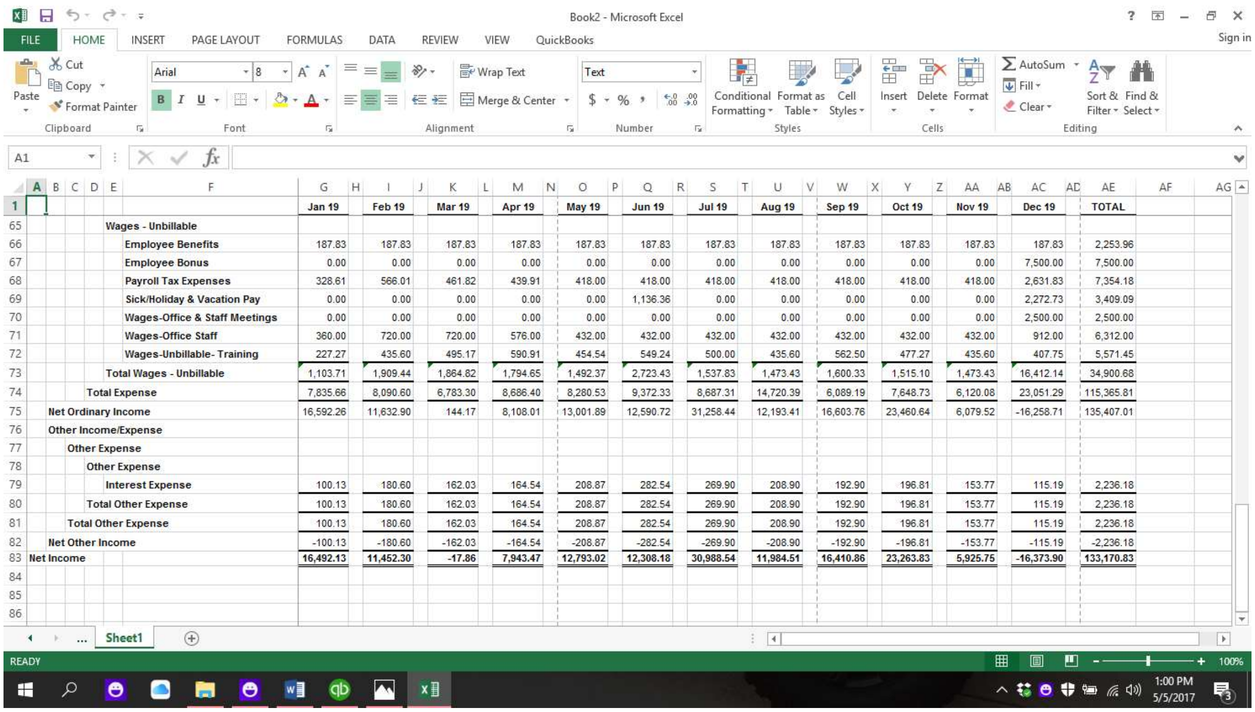
	Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	Jul 19	Aug 19	Sep 19	Oct 19	Nov 19	Dec 19	TOTAL
Gross Profit	24,427.92	19,723.50	6,927.47	16,794.41	21,282.42	21,963.05	39,945.75	26,913.80	22,692.95	31,109.37	12,199.60	6,792.58	250,772.82
Expense													
Advertising Expense	500.00	0.00	0.00	500.00	0.00	0.00	500.00	0.00	0.00	500.00	0.00	0.00	2,000.00
Business License & Fees	0.00	710.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	710.23
Car/Truck Expense													
Company Car	563.00	563.00	563.00	563.00	563.00	563.00	563.00	563.00	563.00	563.00	563.00	563.00	6,756.00
Gas & Oil	149.79	53.00	0.00	148.54	21.89	0.00	215.70	47.23	0.00	68.89	202.60	0.00	907.64
Insurance-Auto	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	1,440.00
Mileage	7.80	75.60	55.80	49.32	7.80	0.00	0.00	0.00	0.00	0.00	0.00	22.11	218.43
Registration & License	0.00	0.00	0.00	546.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	546.00
Repairs & Maintenance	0.00	0.00	0.00	980.23	0.00	0.00	0.00	0.00	0.00	720.00	0.00	0.00	1,700.23
Total Car/Truck Expense	840.59	811.60	738.80	2,407.09	712.69	683.00	898.70	730.23	683.00	1,471.89	885.60	705.11	11,568.30
Conferences and Seminars	1,000.00	0.00	0.00	0.00	350.00	0.00	0.00	3,350.00	0.00	0.00	0.00	0.00	4,700.00
Contributions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,500.00	2,500.00
Depreciation Expense	76.92	76.92	76.92	76.92	76.92	76.92	76.92	76.92	76.92	76.92	76.92	76.92	923.04
Dues and Subscriptions	850.00	0.00	0.00	0.00	0.00	0.00	1,500.00	0.00	0.00	0.00	0.00	0.00	2,350.00
Insurance													
General Liability Insurance	230.00	230.00	230.00	230.00	230.00	230.00	230.00	230.00	230.00	230.00	230.00	230.00	2,760.00
Owner's Health Insurance	356.00	356.00	356.00	356.00	356.00	356.00	356.00	356.00	356.00	356.00	356.00	356.00	4,272.00
Professional Liability Insuranc	0.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	6,875.00
Worker's Compensation	231.84	231.84	231.84	231.84	231.84	231.84	231.84	231.84	231.84	231.84	231.84	231.84	2,782.08
Total Insurance	817.84	1,442.84	1,442.84	1,442.84	1,442.84	1,442.84	1,442.84	1,442.84	1,442.84	1,442.84	1,442.84	1,442.84	16,689.08

Here we can see we have quarterly advertising expense of $500.00. When I click on the $500 it is an adverting expense to a magazine. The auto lease expense is as expected, the same every month but Gas & Oil expense has a very wide range. So either they are missing expenses or only travel sporadically. There are two major conferences, one in January and another major one in August. The Dues and Subscriptions have only one expense in July for a trade association for $1,500. The insurance expense is very consistent.



	Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	Jul 19	Aug 19	Sep 19	Oct 19	Nov 19	Dec 19	TOTAL
Total Insurance	817.84	1,442.84	1,442.84	1,442.84	1,442.84	1,442.84	1,442.84	1,442.84	1,442.84	1,442.84	1,442.84	1,442.84	16,689.08
Maintenance/Janitorial	200.00	200.00	200.00	357.00	200.00	200.00	327.50	200.00	200.00	357.45	200.00	200.00	2,841.95
Marketing Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,500.00	0.00	0.00	0.00	0.00	4,500.00
Meals, Local	100.72	201.53	51.00	75.41	236.56	0.00	157.16	69.77	0.00	131.10	155.10	263.00	1,441.35
Office Equipment	25.00	475.00	25.00	25.00	25.00	375.00	25.00	725.00	25.00	25.00	25.00	25.00	1,800.00
Postage and Delivery	78.00	132.00	78.00	78.00	78.00	78.00	78.00	132.00	78.00	78.00	132.00	78.00	1,098.00
Professional Fees													
Accounting Fees	0.00	0.00	0.00	255.00	1,554.00	0.00	255.00	0.00	0.00	255.00	0.00	0.00	2,319.00
Legal Fees	0.00	400.00	0.00	0.00	0.00	0.00	0.00	0.00	200.00	0.00	0.00	0.00	600.00
Payroll Service Fees	127.08	132.00	135.60	142.00	129.00	123.08	124.08	123.08	123.08	124.08	123.08	123.08	1,529.24
Total Professional Fees	127.08	532.00	135.60	397.00	1,683.00	123.08	379.08	123.08	323.08	379.08	123.08	123.08	4,448.24
Promotional Expense	355.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	355.00
Rent	583.75	583.75	583.75	583.75	583.75	583.75	583.75	583.75	583.75	583.75	583.75	583.75	7,005.00
Repairs													
Computer Repairs	0.00	0.00	0.00	0.00	0.00	0.00	390.00	0.00	0.00	0.00	0.00	0.00	390.00
Equipment Repairs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	343.09	0.00	0.00	0.00	0.00	343.09
Total Repairs	0.00	0.00	0.00	0.00	0.00	0.00	390.00	343.09	0.00	0.00	0.00	0.00	733.09
Supplies	652.36	640.07	1,225.36	394.88	866.37	241.14	298.76	627.62	551.17	421.02	636.57	274.04	6,829.36
Telephone	404.38	320.14	313.13	388.74	319.93	323.10	388.30	313.19	303.56	333.68	318.71	291.81	4,018.67
Travel	55.23	0.00	0.00	140.00	191.00	2,500.00	75.00	0.00	191.00	300.00	0.00	0.00	3,452.23
Utilities	65.08	55.08	48.08	25.12	22.10	22.07	28.47	29.47	30.54	32.90	67.08	75.60	501.59
Wages - Unbillable													

The Maintenance/Janitorial fluctuates a little. When you zoom in on the $357, there is a supply expense. There is a monthly $200 cleaning expense and then a supply replenish fee periodically. There is a large Marketing Expense in August which is an annual expense to public relations company. Office Equipment has a wide range, they have purchased a few small printers. Accounting fees show a quarterly fee then an amount for the annual tax returns. Supplies vary quite a bit, you can zoom into the detail to find out more.

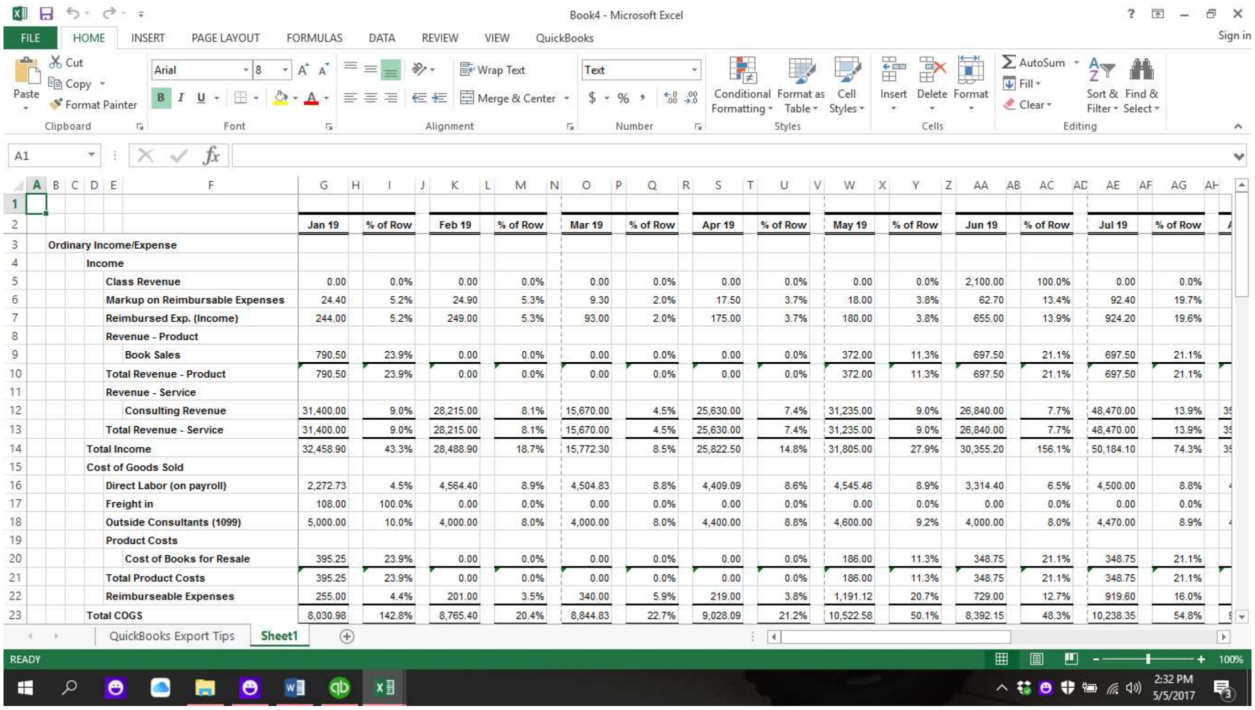


		Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	Jul 19	Aug 19	Sep 19	Oct 19	Nov 19	Dec 19	TOTAL
65	Wages - Unbillable													
66	Employee Benefits	187.83	187.83	187.83	187.83	187.83	187.83	187.83	187.83	187.83	187.83	187.83	187.83	2,253.96
67	Employee Bonus	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,500.00	7,500.00
68	Payroll Tax Expenses	328.61	566.01	461.82	439.91	418.00	418.00	418.00	418.00	418.00	418.00	418.00	2,631.83	7,354.18
69	Sick/Holiday & Vacation Pay	0.00	0.00	0.00	0.00	0.00	1,136.36	0.00	0.00	0.00	0.00	0.00	2,272.73	3,409.09
70	Wages-Office & Staff Meetings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,500.00	2,500.00
71	Wages-Office Staff	360.00	720.00	720.00	576.00	432.00	432.00	432.00	432.00	432.00	432.00	432.00	912.00	6,312.00
72	Wages-Unbillable- Training	227.27	435.60	495.17	590.91	454.54	549.24	500.00	435.60	562.50	477.27	435.60	407.75	5,571.45
73	Total Wages - Unbillable	1,103.71	1,909.44	1,864.82	1,794.65	1,492.37	2,723.43	1,537.83	1,473.43	1,600.33	1,515.10	1,473.43	16,412.14	34,900.68
74	Total Expense	7,835.66	8,090.60	6,783.30	8,686.40	8,280.53	9,372.33	8,687.31	14,720.39	6,089.19	7,648.73	6,120.08	23,051.29	115,365.81
75	Net Ordinary Income	16,592.26	11,632.90	144.17	8,108.01	13,001.89	12,590.72	31,258.44	12,193.41	16,603.76	23,460.64	6,079.52	-16,258.71	135,407.01
76	Other Income/Expense													
77	Other Expense													
78	Other Expense													
79	Interest Expense	100.13	180.60	162.03	164.54	208.87	282.54	269.90	208.90	192.90	196.81	153.77	115.19	2,236.18
80	Total Other Expense	100.13	180.60	162.03	164.54	208.87	282.54	269.90	208.90	192.90	196.81	153.77	115.19	2,236.18
81	Total Other Expense	100.13	180.60	162.03	164.54	208.87	282.54	269.90	208.90	192.90	196.81	153.77	115.19	2,236.18
82	Net Other Income	-100.13	-180.60	-162.03	-164.54	-208.87	-282.54	-269.90	-208.90	-192.90	-196.81	-153.77	-115.19	-2,236.18
83	Net Income	16,492.13	11,452.30	-17.86	7,943.47	12,793.02	12,308.18	30,988.54	11,984.51	16,410.86	23,263.83	5,925.75	-16,373.90	133,170.83

So by now you can see how this report can show you the entire year in one snapshot. This allows you to spot trends and get a handle on how your business flows over the year.

One more, neat trick you can do to this report is to add percentages. This is powerful way to look at this report and also help you with benchmarking your data to your industry. You can add percentages with just a couple of mouse clicks. Click on Customize Report again, and click the box % of Income.

Using percentages will show you problems you might not catch if you just look at the raw numbers. I would highly recommend you look at both raw numbers and then also the percentages. This is because the sales could change and even though an expense is the same amount the percentage could change. The report below shows you what it looks like when you add percentages.



	Jan 19	% of Row	Feb 19	% of Row	Mar 19	% of Row	Apr 19	% of Row	May 19	% of Row	Jun 19	% of Row	Jul 19	% of Row
Ordinary Income/Expense														
Income														
Class Revenue	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%	2,100.00	100.0%	0.00	0.0%
Markup on Reimbursable Expenses	24.40	5.2%	24.90	5.3%	9.30	2.0%	17.50	3.7%	18.00	3.8%	62.70	13.4%	92.40	19.7%
Reimbursed Exp. (Income)	244.00	5.2%	249.00	5.3%	93.00	2.0%	175.00	3.7%	180.00	3.8%	655.00	13.9%	924.20	19.6%
Revenue - Product														
Book Sales	790.50	23.9%	0.00	0.0%	0.00	0.0%	0.00	0.0%	372.00	11.3%	697.50	21.1%	697.50	21.1%
Total Revenue - Product	790.50	23.9%	0.00	0.0%	0.00	0.0%	0.00	0.0%	372.00	11.3%	697.50	21.1%	697.50	21.1%
Revenue - Service														
Consulting Revenue	31,400.00	9.0%	28,215.00	8.1%	15,670.00	4.5%	25,630.00	7.4%	31,235.00	9.0%	26,840.00	7.7%	48,470.00	13.9%
Total Revenue - Service	31,400.00	9.0%	28,215.00	8.1%	15,670.00	4.5%	25,630.00	7.4%	31,235.00	9.0%	26,840.00	7.7%	48,470.00	13.9%
Total Income	32,458.90	43.3%	28,488.90	18.7%	15,772.30	8.5%	25,822.50	14.8%	31,805.00	27.9%	30,355.20	156.1%	50,184.10	74.3%
Cost of Goods Sold														
Direct Labor (on payroll)	2,272.73	4.5%	4,564.40	8.9%	4,504.83	8.8%	4,409.09	8.6%	4,545.46	8.9%	3,314.40	6.5%	4,500.00	8.8%
Freight in	108.00	100.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%
Outside Consultants (1099)	5,000.00	10.0%	4,000.00	8.0%	4,000.00	8.0%	4,400.00	8.8%	4,600.00	9.2%	4,000.00	8.0%	4,470.00	8.9%
Product Costs														
Cost of Books for Resale	395.25	23.9%	0.00	0.0%	0.00	0.0%	0.00	0.0%	186.00	11.3%	348.75	21.1%	348.75	21.1%
Total Product Costs	395.25	23.9%	0.00	0.0%	0.00	0.0%	0.00	0.0%	186.00	11.3%	348.75	21.1%	348.75	21.1%
Reimburseable Expenses	255.00	4.4%	201.00	3.5%	340.00	5.9%	219.00	3.8%	1,191.12	20.7%	729.00	12.7%	919.60	16.0%
Total COGS	8,030.98	142.8%	8,765.40	20.4%	8,844.83	22.7%	9,028.09	21.2%	10,522.58	50.1%	8,392.15	48.3%	10,238.35	54.8%

Chapter 8

Budgets Your Financial Road Map

Budgets are your financial goals in a spreadsheet. The budget is your roadmap to your financial success. When you look budgets like this, they are not going to be as boring. Budgets are one of the most important tools that you can use for your business, and I'm going to show you how easy they are to set up. We're going to set up a budget in 10 minutes. Other ones are going to take a little longer, but if you want to do a basic budget to get you started in the process, we can get this whole thing wrapped up in about ten minutes. And then, we're going to use this chapter to explain to you why budgeting is so important, and how you should really use the budgeting, because most people look at budget as a one-time event, and it's not, it's an ongoing process.

Here's how budgets work at large companies. When I worked at the subsidiary of Sara Lee, the president of the subsidiary company had to submit a budget to the corporate executives and that budget was their operating goals. And management at the subsidiary was expected to deliver the results of the budget. So, at the end of the year, they said, this division had to make X number of dollars; let's just say 10 million. And then they would create a budget to make that $10 million net income goal.

Here is the most important thing about budgets; as soon as that budget was completed, approved by upper management, and printed, it was obsolete. And the reason why is, because your business environment had changed. The company I worked for made hotdogs and hotdogs contain beef, so the prices of beef are always changing. We have all heard about the commodity markets and how the prices change fast. Beef is listed on the commodity markets as live cattle futures, and here the price changes every second. So it is impossible for us to get the correct price of the beef for the cost of goods sold expense in our budget. Also, it is impossible to predict exactly what your sales numbers will be in the future, you don't always make your sales numbers. Something always comes up, and there is always an obstacle in the way for you to make your budget numbers.

The point is simple, no one can predict the future. So your budget will be off somewhere. So how do you get back on track? You have to make your financial goal. Well, you simply adapt and create a new budget to get you back to your financial goals of your original budget. You create a new budget called Out Look 0. This new budget includes your first month or so of your actual numbers and then you create a new budget for the remaining months of the year. With of course the 10 million dollar net income goal at the end. In other words, you revise the budget to get to your original net income goal. When the original budget was done, we would have to look at it, compare your actuals to your budget, and say, "Hey, we didn't make our numbers."

This is how it works at large companies, if the president didn't make his numbers that year, he would not get his bonus. I don't know about you, but rich guys like their bonuses. And if he didn't make it the second year, he got fired or pushed off to somewhere else. So, there's a lot of pressure on him to make his numbers and here's how they do it. So, if they don't make their numbers for the first month, they would do then what we call Outlook 0; which the first column would be their actual numbers, and then they would re-budget to try to figure out how they're going to get to their numbers. Whether they're going to make changes to their sales numbers, change the prices of meat, or cut some staff, or cut some marketing expenses, whatever they had to do in order to make sure that they're going to make that net income number at the end of the year.

No one can accurately predict the future. And your business environment is going to change, so as soon as that budget is done, you print it off, and the ink dries, it's obsolete already. So again, they would have to redo the budget so they can make their financial numbers, and they do it this about 6 or 7 times throughout the year in order to get their numbers. So budgeting is not a one budget for the year and you are done, no it is a process. The purpose of the budgeting process is for you to make your financial goals. Now, it sounds like lot of work, but it's not.

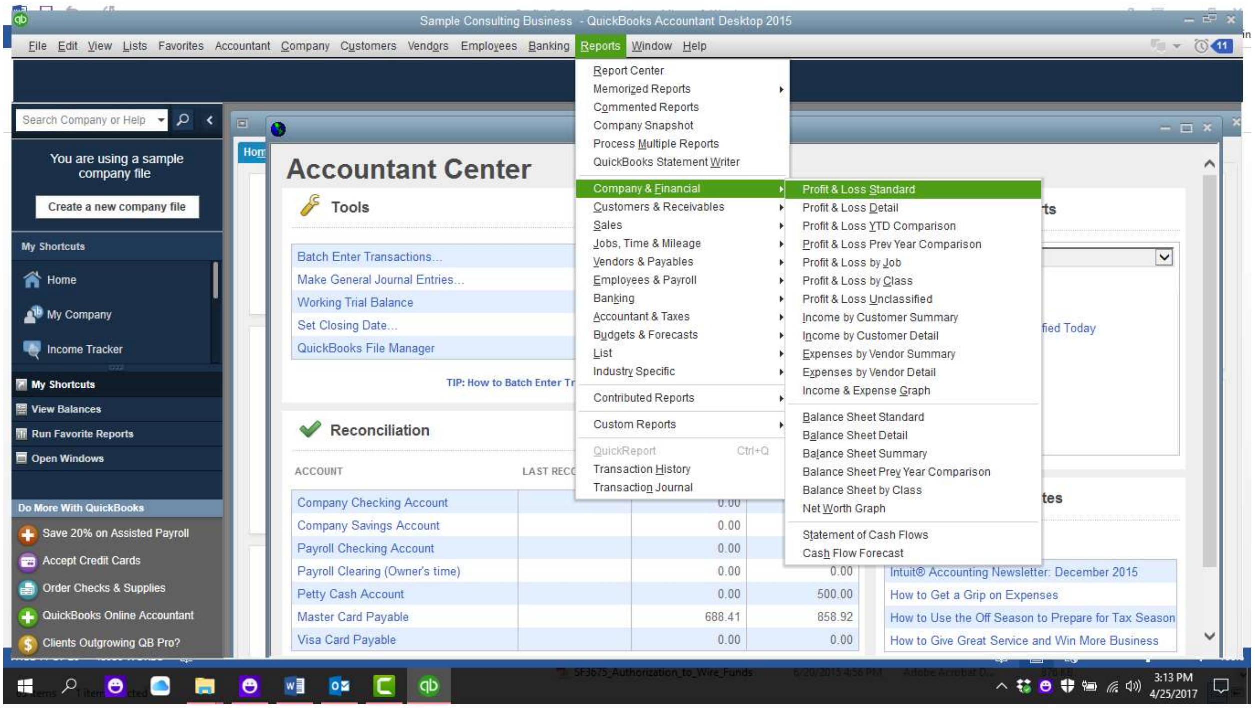
The budgeting process is a very deep ongoing financial analysis of your business. What most people do is just look at the financial statements. The problem with just looking at the financial statements is the finical statements are from the past. The budget is your projection of your goals of the future. The budget analyses is figuring out what happened compared to your goals. Then digging in deep to see what went right and what went wrong with your plans. Then digging deeper to find out all of the WHYS. Why did some things go right and why did somethings go wrong. Then you need to fix all of the items that went wrong and make sure all of the what went rights, continue to go right.

So let's get started and let me show how you can easily set up budgets on your company. Here are some QuickBooks budgeting examples. You can also purchase my online course for the video representation. We are going to show you two different ways to do this.

1st Method

This example is from QuickBooks 2015 Accountant Edition, any Pro Edition should work fine. We are going to create a Profit and Loss Month by Month like we did in the prior chapter.

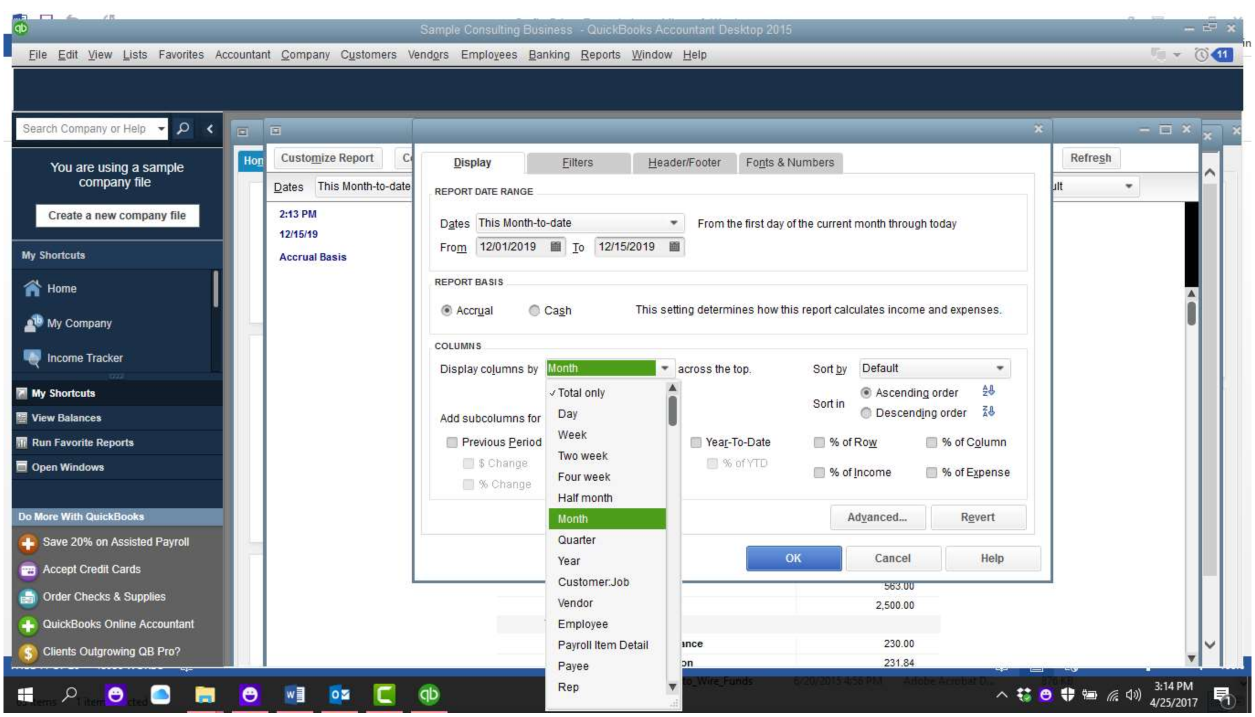
Step 1. Create a Profit and Loss Statement in QB.



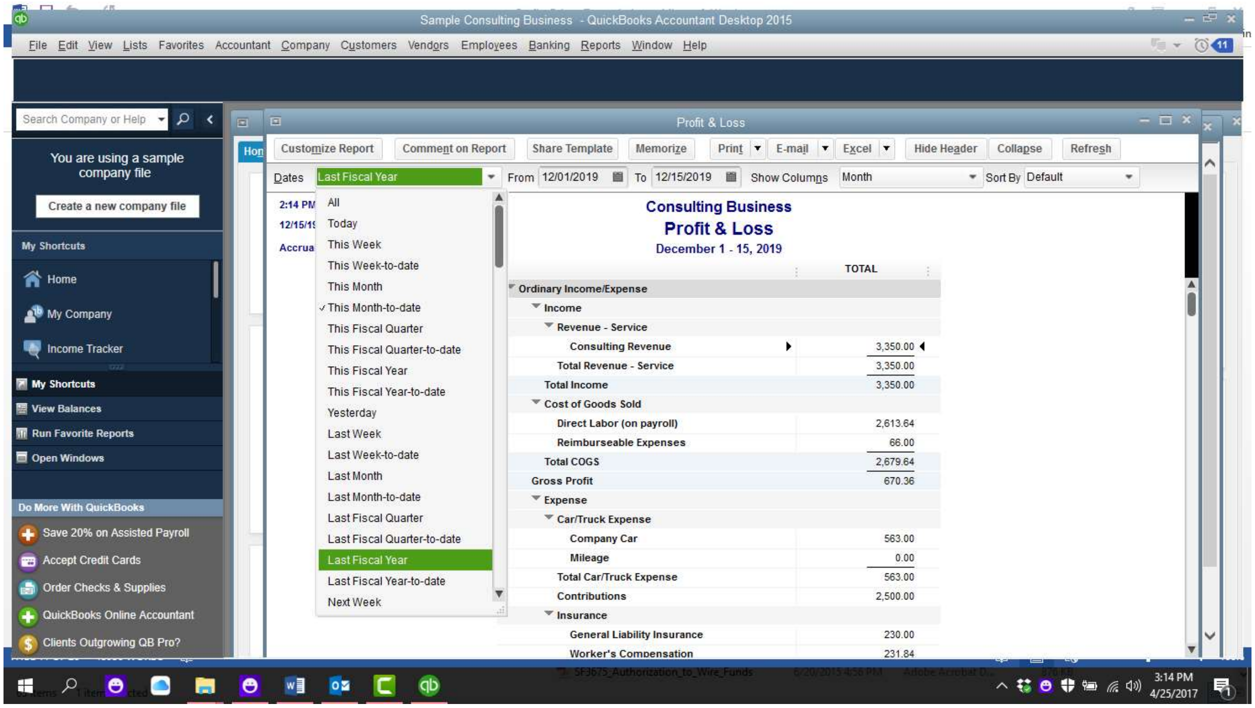
Step 2. Customize the Report.

Go to Customize the Report in top left of the report.

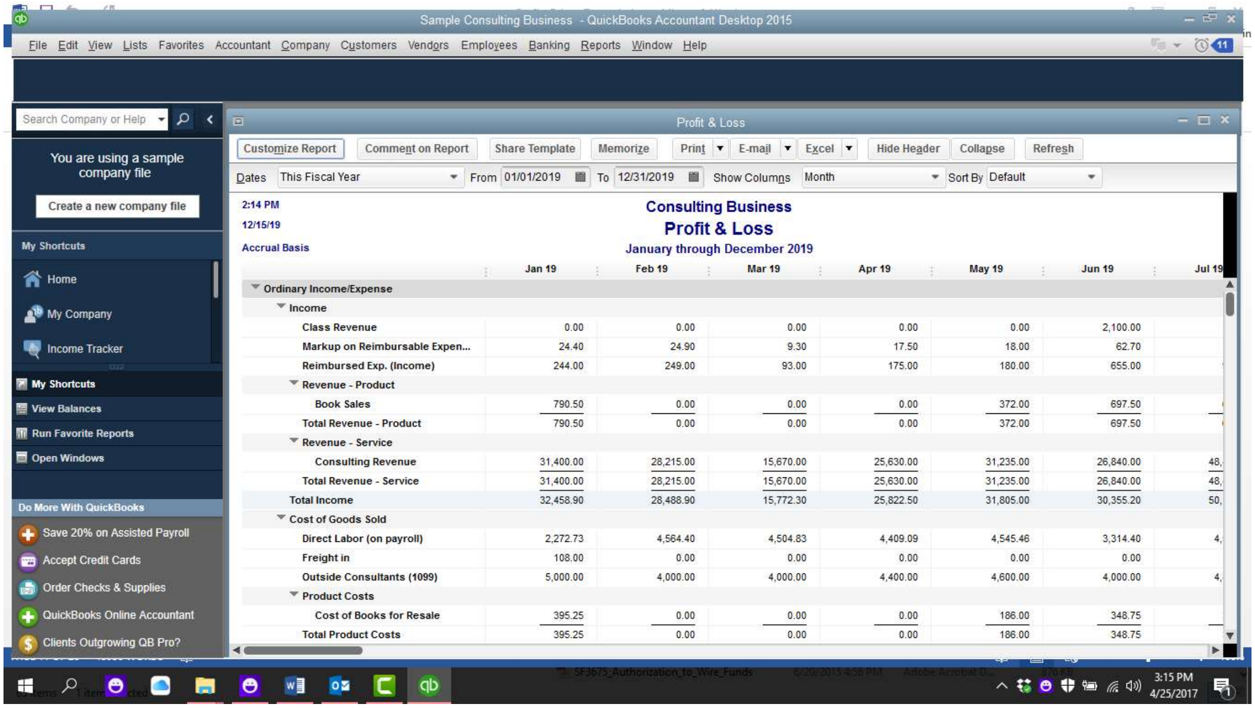
Click on Display columns by and change this to Month.



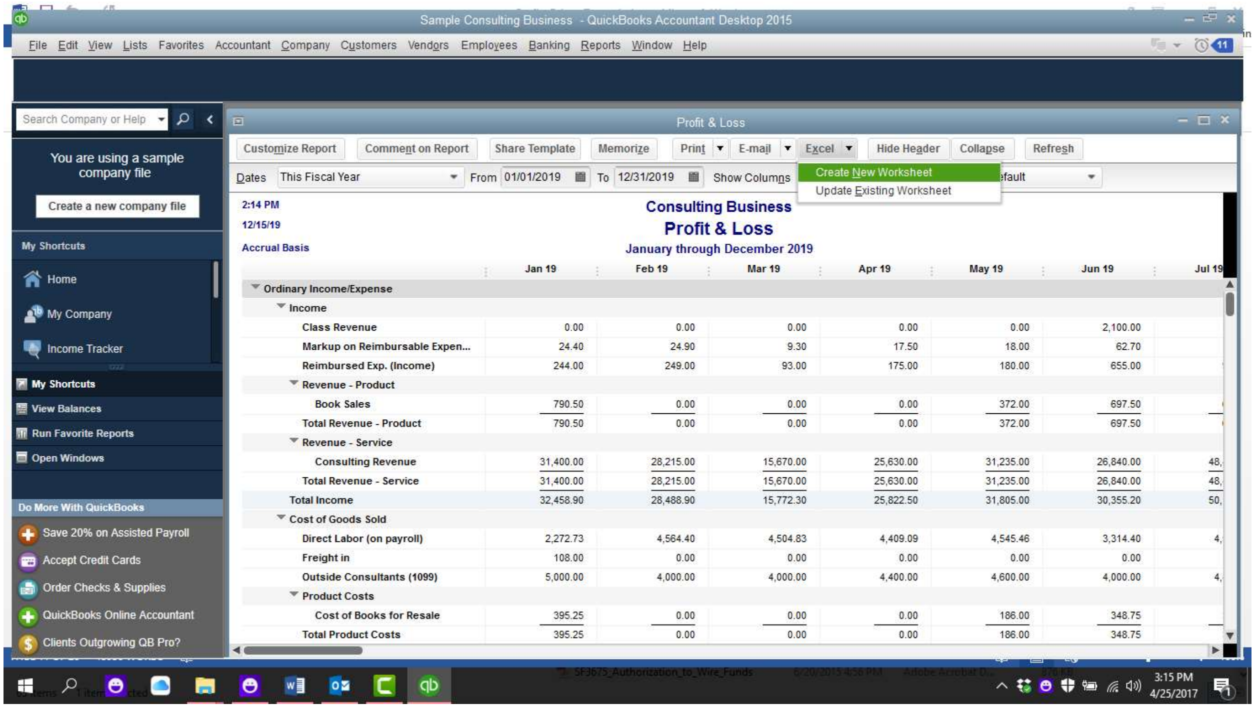
Step 3. Change the date range for all of this year or last, which ever data you want to build the budget off of.

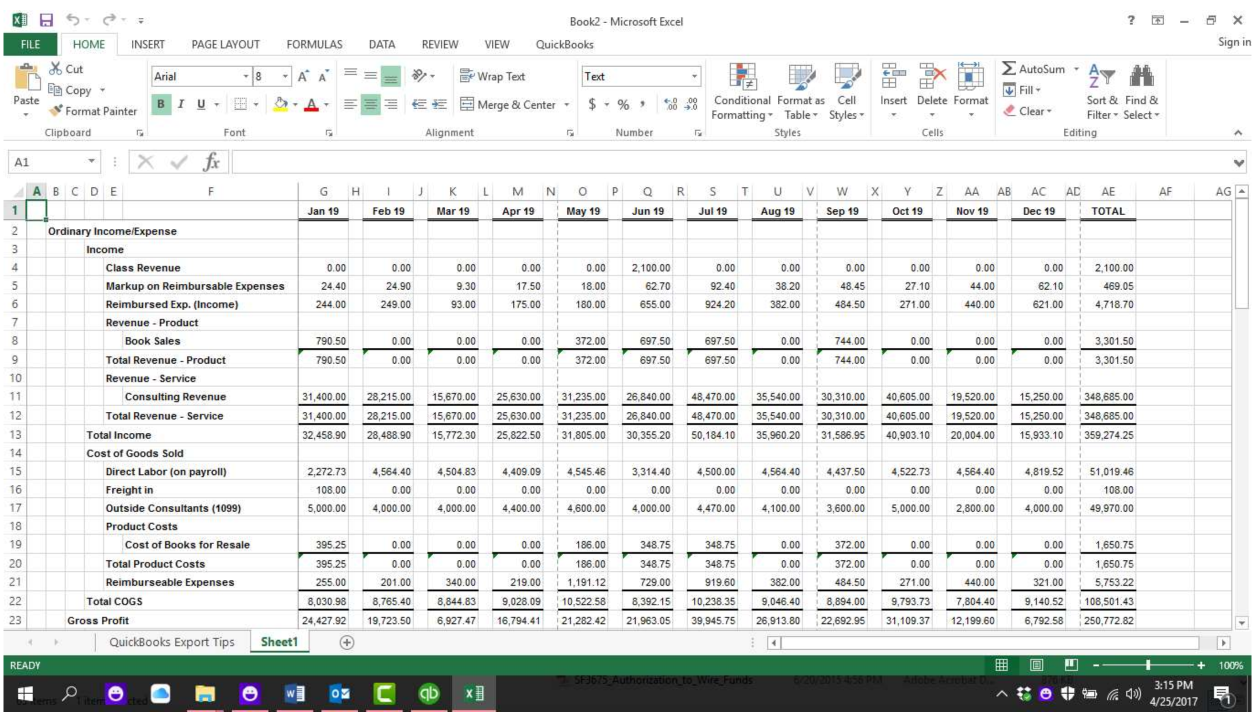


Step 4 This creates a report with the P & L by month side by side.



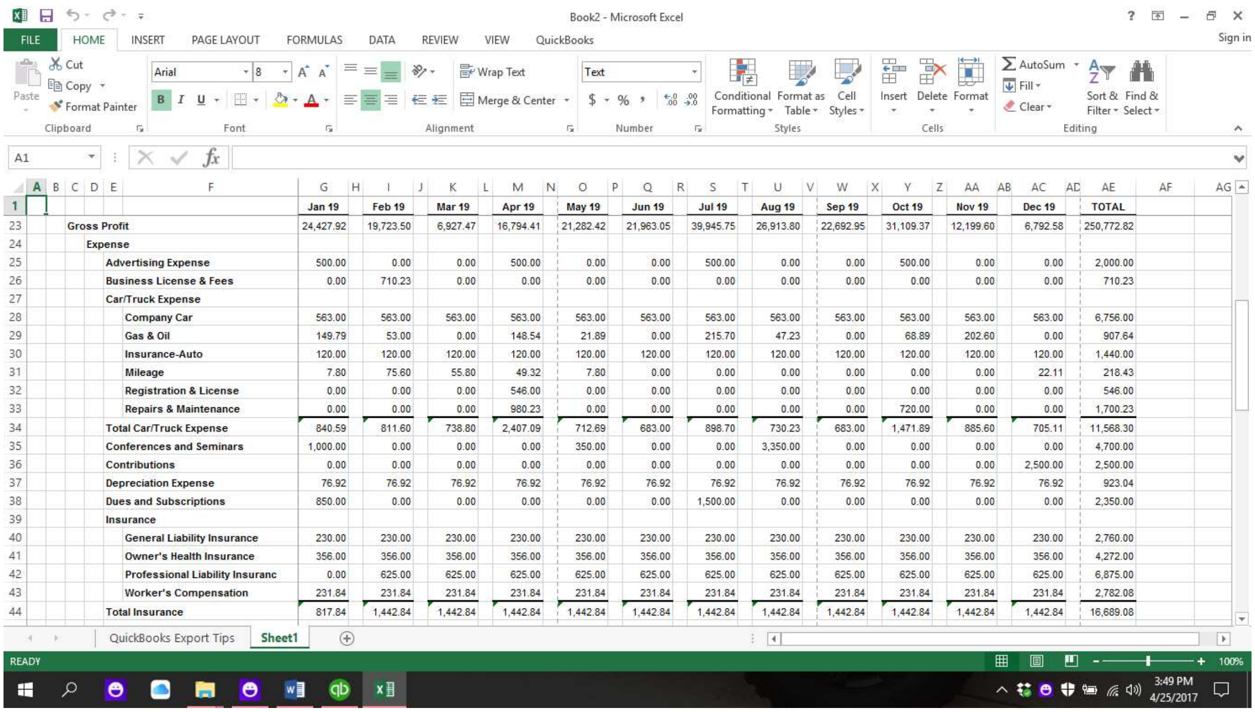
Step 5 Hit the report to Excel Spread Sheet.



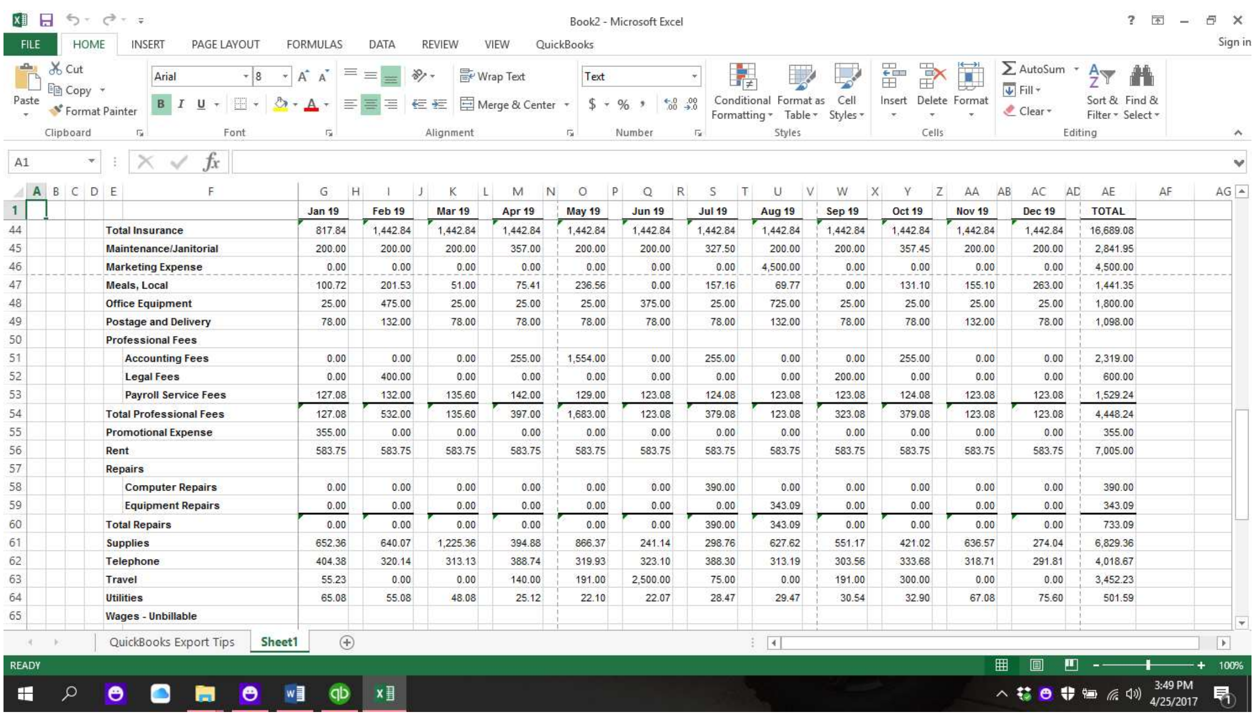


Now, what you have here is your entire year's data by month in Excel. You got a 12-month budget right here. Now, it's the prior year's data, or a lot of this year's depending on how you did it. This is a great guide to start your budget because you now have a working template in Excel and great historical data.

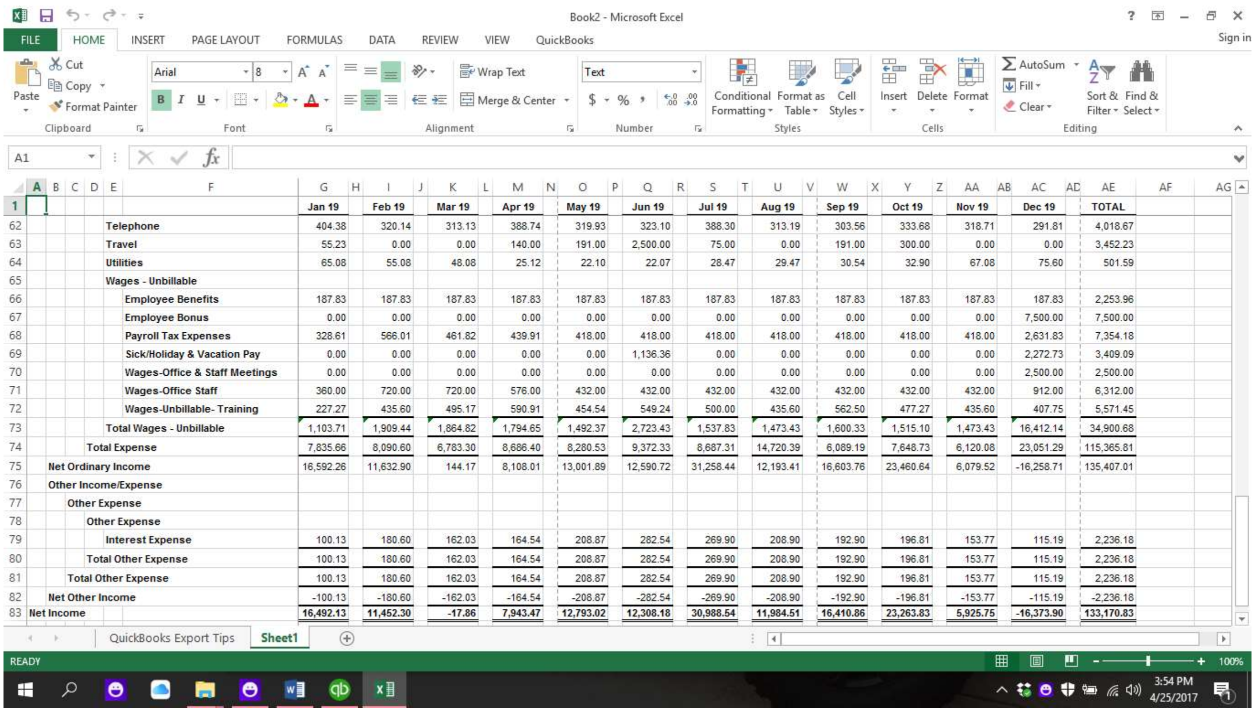
This Spread Sheet cuts off so here are a few more screen shots.



		Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	Jul 19	Aug 19	Sep 19	Oct 19	Nov 19	Dec 19	TOTAL
23	Gross Profit	24,427.92	19,723.50	6,927.47	16,794.41	21,282.42	21,963.05	39,945.75	26,913.80	22,692.95	31,109.37	12,199.60	6,792.58	250,772.82
24	Expense													
25	Advertising Expense	500.00	0.00	0.00	500.00	0.00	0.00	500.00	0.00	0.00	500.00	0.00	0.00	2,000.00
26	Business License & Fees	0.00	710.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	710.23
27	Car/Truck Expense													
28	Company Car	563.00	563.00	563.00	563.00	563.00	563.00	563.00	563.00	563.00	563.00	563.00	563.00	6,756.00
29	Gas & Oil	149.79	53.00	0.00	148.54	21.89	0.00	215.70	47.23	0.00	68.89	202.60	0.00	907.64
30	Insurance-Auto	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	1,440.00
31	Mileage	7.80	75.60	55.80	49.32	7.80	0.00	0.00	0.00	0.00	0.00	0.00	22.11	218.43
32	Registration & License	0.00	0.00	0.00	546.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	546.00
33	Repairs & Maintenance	0.00	0.00	0.00	980.23	0.00	0.00	0.00	0.00	0.00	720.00	0.00	0.00	1,700.23
34	Total Car/Truck Expense	840.59	811.60	738.80	2,407.09	712.69	683.00	898.70	730.23	683.00	1,471.89	885.60	705.11	11,568.30
35	Conferences and Seminars	1,000.00	0.00	0.00	0.00	350.00	0.00	0.00	3,350.00	0.00	0.00	0.00	0.00	4,700.00
36	Contributions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,500.00	2,500.00
37	Depreciation Expense	76.92	76.92	76.92	76.92	76.92	76.92	76.92	76.92	76.92	76.92	76.92	76.92	923.04
38	Dues and Subscriptions	850.00	0.00	0.00	0.00	0.00	0.00	1,500.00	0.00	0.00	0.00	0.00	0.00	2,350.00
39	Insurance													
40	General Liability Insurance	230.00	230.00	230.00	230.00	230.00	230.00	230.00	230.00	230.00	230.00	230.00	230.00	2,760.00
41	Owner's Health Insurance	356.00	356.00	356.00	356.00	356.00	356.00	356.00	356.00	356.00	356.00	356.00	356.00	4,272.00
42	Professional Liability Insuranc	0.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	6,875.00
43	Worker's Compensation	231.84	231.84	231.84	231.84	231.84	231.84	231.84	231.84	231.84	231.84	231.84	231.84	2,782.08
44	Total Insurance	817.84	1,442.84	1,442.84	1,442.84	1,442.84	1,442.84	1,442.84	1,442.84	1,442.84	1,442.84	1,442.84	1,442.84	16,689.08



		Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	Jul 19	Aug 19	Sep 19	Oct 19	Nov 19	Dec 19	TOTAL
44	Total Insurance	817.84	1,442.84	1,442.84	1,442.84	1,442.84	1,442.84	1,442.84	1,442.84	1,442.84	1,442.84	1,442.84	1,442.84	16,689.08
45	Maintenance/Janitorial	200.00	200.00	200.00	357.00	200.00	200.00	327.50	200.00	200.00	357.45	200.00	200.00	2,841.95
46	Marketing Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,500.00	0.00	0.00	0.00	0.00	4,500.00
47	Meals, Local	100.72	201.53	51.00	75.41	236.56	0.00	157.16	69.77	0.00	131.10	155.10	263.00	1,441.35
48	Office Equipment	25.00	475.00	25.00	25.00	25.00	375.00	25.00	725.00	25.00	25.00	25.00	25.00	1,800.00
49	Postage and Delivery	78.00	132.00	78.00	78.00	78.00	78.00	78.00	132.00	78.00	78.00	132.00	78.00	1,098.00
50	Professional Fees													
51	Accounting Fees	0.00	0.00	0.00	255.00	1,554.00	0.00	255.00	0.00	0.00	255.00	0.00	0.00	2,319.00
52	Legal Fees	0.00	400.00	0.00	0.00	0.00	0.00	0.00	0.00	200.00	0.00	0.00	0.00	600.00
53	Payroll Service Fees	127.08	132.00	135.60	142.00	129.00	123.08	124.08	123.08	123.08	124.08	123.08	123.08	1,529.24
54	Total Professional Fees	127.08	532.00	135.60	397.00	1,683.00	123.08	379.08	123.08	323.08	379.08	123.08	123.08	4,448.24
55	Promotional Expense	355.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	355.00
56	Rent	583.75	583.75	583.75	583.75	583.75	583.75	583.75	583.75	583.75	583.75	583.75	583.75	7,005.00
57	Repairs													
58	Computer Repairs	0.00	0.00	0.00	0.00	0.00	0.00	390.00	0.00	0.00	0.00	0.00	0.00	390.00
59	Equipment Repairs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	343.09	0.00	0.00	0.00	0.00	343.09
60	Total Repairs	0.00	0.00	0.00	0.00	0.00	0.00	390.00	343.09	0.00	0.00	0.00	0.00	733.09
61	Supplies	652.36	640.07	1,225.36	394.88	866.37	241.14	298.76	627.62	551.17	421.02	636.57	274.04	6,829.36
62	Telephone	404.38	320.14	313.13	388.74	319.93	323.10	388.30	313.19	303.56	333.68	318.71	291.81	4,018.67
63	Travel	55.23	0.00	0.00	140.00	191.00	2,500.00	75.00	0.00	191.00	300.00	0.00	0.00	3,452.23
64	Utilities	65.08	55.08	48.08	25.12	22.10	22.07	28.47	29.47	30.54	32.90	67.08	75.60	501.59
65	Wages - Unbillable													



		Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	Jul 19	Aug 19	Sep 19	Oct 19	Nov 19	Dec 19	TOTAL
62	Telephone	404.38	320.14	313.13	388.74	319.93	323.10	388.30	313.19	303.56	333.68	318.71	291.81	4,018.67
63	Travel	55.23	0.00	0.00	140.00	191.00	2,500.00	75.00	0.00	191.00	300.00	0.00	0.00	3,452.23
64	Utilities	65.08	55.08	48.08	25.12	22.10	22.07	28.47	29.47	30.54	32.90	67.08	75.60	501.59
65	Wages - Unbillable													
66	Employee Benefits	187.83	187.83	187.83	187.83	187.83	187.83	187.83	187.83	187.83	187.83	187.83	187.83	2,253.96
67	Employee Bonus	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,500.00	7,500.00
68	Payroll Tax Expenses	328.61	566.01	461.82	439.91	418.00	418.00	418.00	418.00	418.00	418.00	418.00	2,631.83	7,354.18
69	Sick/Holiday & Vacation Pay	0.00	0.00	0.00	0.00	0.00	1,136.36	0.00	0.00	0.00	0.00	0.00	2,272.73	3,409.09
70	Wages-Office & Staff Meetings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,500.00	2,500.00
71	Wages-Office Staff	360.00	720.00	720.00	576.00	432.00	432.00	432.00	432.00	432.00	432.00	432.00	912.00	6,312.00
72	Wages-Unbillable- Training	227.27	435.60	495.17	590.91	454.54	549.24	500.00	435.60	562.50	477.27	435.60	407.75	5,571.45
73	Total Wages - Unbillable	1,103.71	1,909.44	1,864.82	1,794.65	1,492.37	2,723.43	1,537.83	1,473.43	1,600.33	1,515.10	1,473.43	16,412.14	34,900.68
74	Total Expense	7,835.66	8,090.60	6,783.30	8,686.40	8,280.53	9,372.33	8,687.31	14,720.39	6,089.19	7,648.73	6,120.08	23,051.29	115,365.81
75	Net Ordinary Income	16,592.26	11,632.90	144.17	8,108.01	13,001.89	12,590.72	31,258.44	12,193.41	16,603.76	23,460.64	6,079.52	-16,258.71	135,407.01
76	Other Income/Expense													
77	Other Expense													
78	Other Expense													
79	Interest Expense	100.13	180.60	162.03	164.54	208.87	282.54	269.90	208.90	192.90	196.81	153.77	115.19	2,236.18
80	Total Other Expense	100.13	180.60	162.03	164.54	208.87	282.54	269.90	208.90	192.90	196.81	153.77	115.19	2,236.18
81	Total Other Expense	100.13	180.60	162.03	164.54	208.87	282.54	269.90	208.90	192.90	196.81	153.77	115.19	2,236.18
82	Net Other Income	-100.13	-180.60	-162.03	-164.54	-208.87	-282.54	-269.90	-208.90	-192.90	-196.81	-153.77	-115.19	-2,236.18
83	Net Income	16,492.13	11,452.30	-17.86	7,943.47	12,793.02	12,308.18	30,988.54	11,984.51	16,410.86	23,263.83	5,925.75	-16,373.90	133,170.83

Now you save this budget and create a copy of the sheet within the Excel file. This way you save the original sheet without any changes, just in case you want to go back and review it.

We will cover the Sales Budget in another chapter. For now, let's focus on expenses. From here you have a budget populated with historical data. Next, you go line by line analyzing the data and changing the revenue or expenses based on your expectation of what you expect the expense or revenue to be.

Something I would recommend but is not necessary is to remove the columns between the months. I find it much easier to work with the spreadsheet if the blank column is removed. This allows me to copy data from a month and paste it into the monthly columns. I like to round numbers to make them easier to enter into QuickBooks. Because when you are done with creating this budget in Excel, you will want to enter the data into QuickBooks Budget template. Plus, I will smooth them out. For example, if your office supply expense is $5,786 for the year and is as low as $100 one month and 800 another month, I would take the average of $500 per month for the budget. So in January, I would enter $500 and then copy it across the rest of the year. And this is much easier to do it you do not have that blank column between the months.

An exception to deleting the columns is if you want to hide percentages in these columns. This will allow you to increase an expense for the month by a percentage. Using a formula you can increase the expense from one month to the next. For example, if you want to increase an expense by 5% from Jan to Feb, then you put in the blank column 1.05. So an expense in January of $100 would be $105 in Feb. You would put this formula in the Feb cell(+g15*h15). This assumes the expense is on line 15. You would use the line number of the expense you are changing.

The nice thing about using the historical data is many items are not going to change much or at all. For example, your rent might not change. Your utilities will not change very much but are seasonal, so I would just round them to the next 5. So if January is 65.08, I would make 65.00 and March is $48.08, I would round to $50.00. In this example, we have Telephone expense at 4,018.67, unless you are expecting to add lines or phones I would smooth this out to $335.00 per month.

The budgeting process for payroll is more complicated, and here is the easiest way to get it done and be pretty accurate. Create another copy of the budget in the worksheet. Keep the header with all of the Months listed, then delete most of the rolls until you get to the Wages section. I would clear all of the cells below Wages- Unbillable and then add the employee's name. Then you could just add the monthly salary or wages in each months' column. Keep it this simple, if you expect to raise the salary or wage, just put the increased wage in the month you anticipate giving the raise.

Payroll taxes are very complicated and are very difficult to make perfect in budgeting. The reality is that it is too complicated and extremely time consuming to make a perfect model for calculating payroll tax. So the simple and accurate enough model is simply 10% of wages.

If you have an extensive Advertising campaign, you can create another sheet in the budget and list the advertising plans and amounts by month. Most people and look at the advertising line and just smooth it out based on the seasonality of their business or what they plan to do.

Business License is not going to change much, you can pretty much go with the historical data with a little tweaking. Your car payment's not going to change unless you anticipate a new car. Your insurance isn't probably going to change. We'll leave that where it is. Mileage Reimbursement, about $20 a month. License and Registration, we'll leave that. Repairs and Maintenance, something like that you're probably going to want to smooth out. Because you're just not going to know when you are going to need to repair.

Your seminars, we're going to leave that the same because generally when you have a conference or a seminar, you know on your own business, but they're generally going to be those times a year. General contributions, let's say he does one at the end of the year. Depreciation, this number you get from your accountant. I typically, when I budget, I don't put the depreciation in there because it's a non-cash expense and you cannot control it, but that is up to you.

Dues and subscriptions. There are only two items in this expense in our example. Most businesses will have some monthly reoccurring expense along with an annual subscription. I would go back to your report inside QuickBooks and see what the details of expense are.

So, the idea is you can look back into your QuickBooks file and see what your data was. Then you can decide if you are going to need that expense this year. All you are doing is analyzing your numbers and saying, "Hey, are we going to do that this year?" and just planning things out. So, none of this stuff is really hard.

All you are really doing here is focusing on your numbers and in the end, you're going to have a profit number. You are either going to like or dislike your end result, and if you don't like it then you're going to tweak this budget to get to where you want to be. Maybe it's raising your sales. Or maybe it's cutting some expenses. Maybe you want to terminate an underperforming employee.

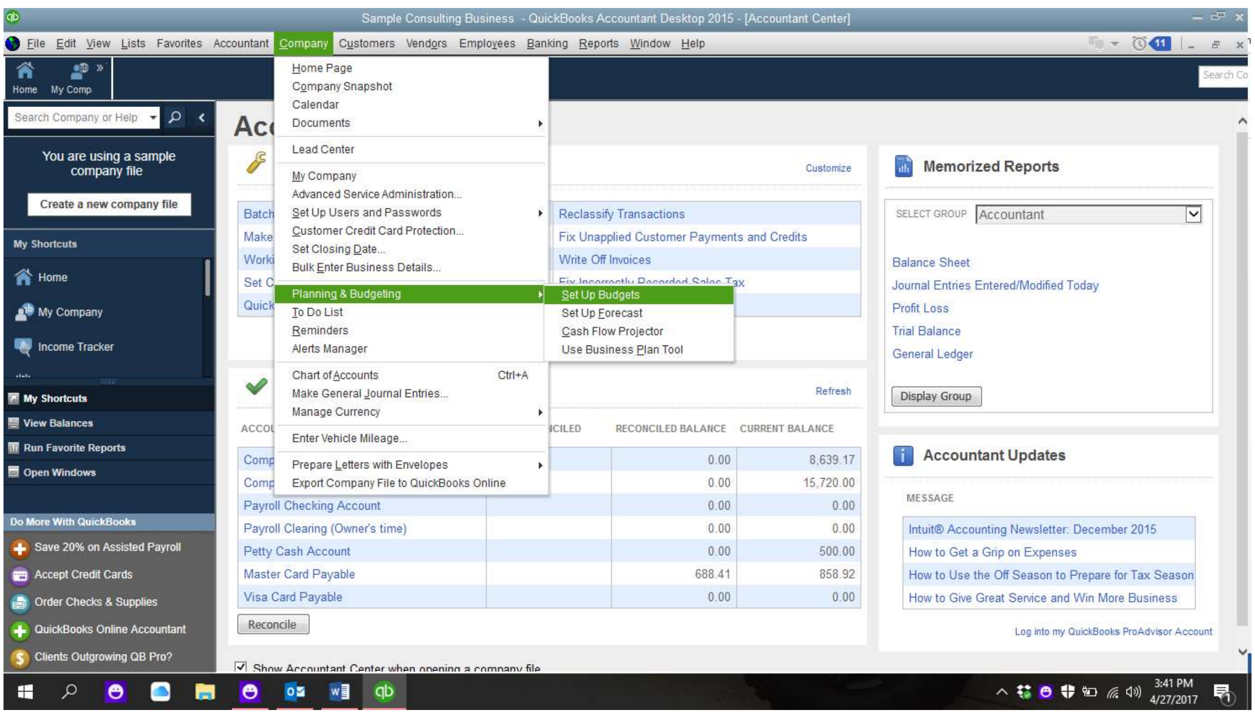
Method 2

There is another way to do budgets within QuickBooks. Most of the QuickBooks Pro has a complete budgeting function built into it. There are many versions of QuickBooks but you can check to see if your version has budgets built in. If not you might have to upgrade.

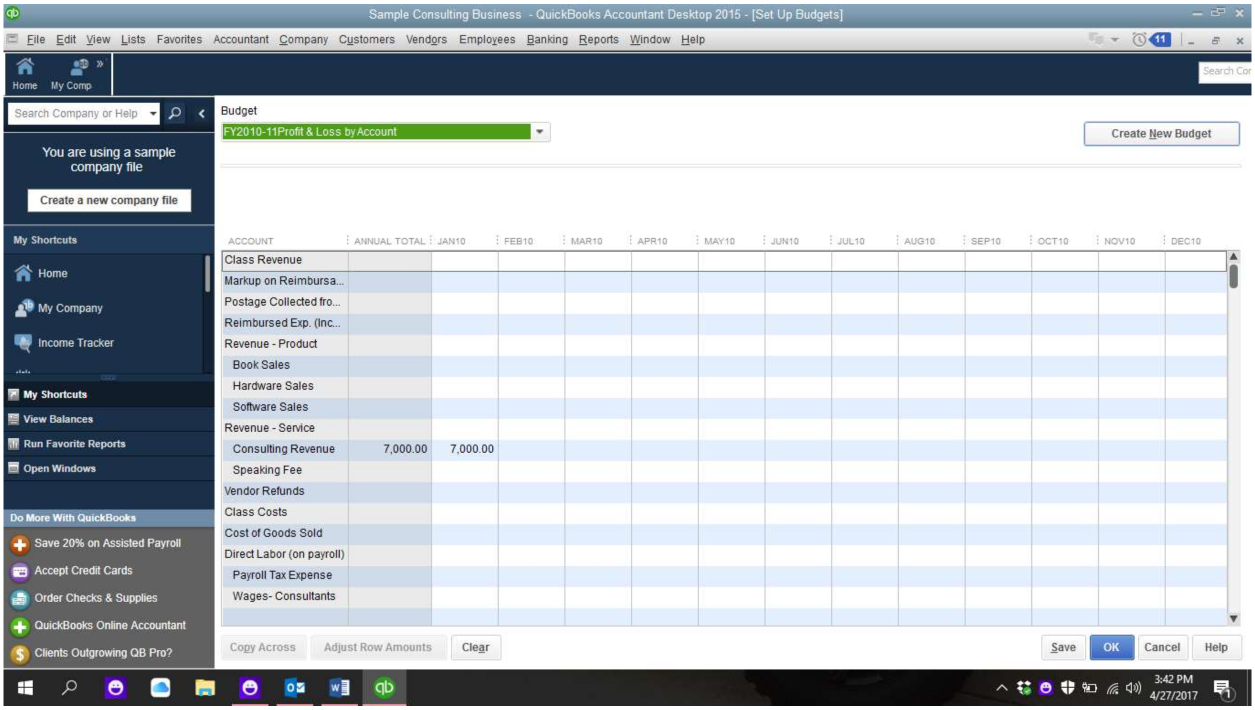
Let's go over how you can set up budgets in QuickBooks. Let's get started.

This example is QuickBooks 2015 Accounting Version.

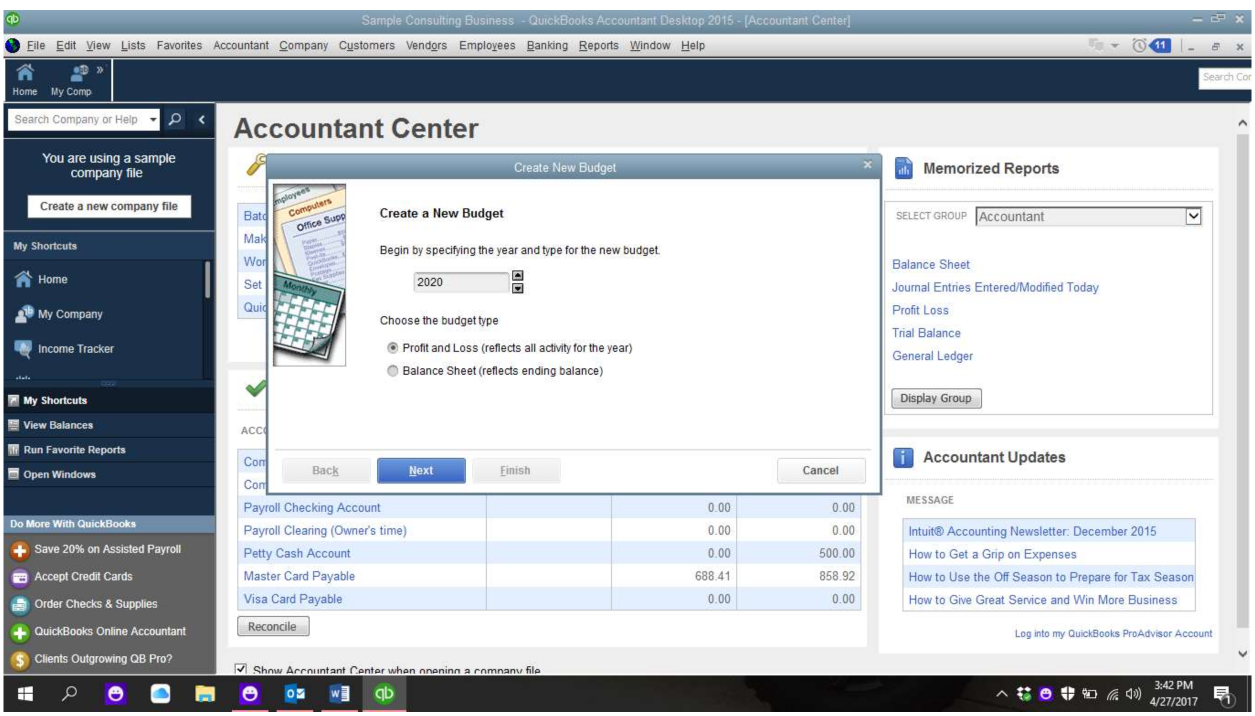
From the Company Menu go to Planning & Budgeting and Set Up Budgets.



This next illustration has a budget already in it. So just hit the Create New Budget button at the top left.



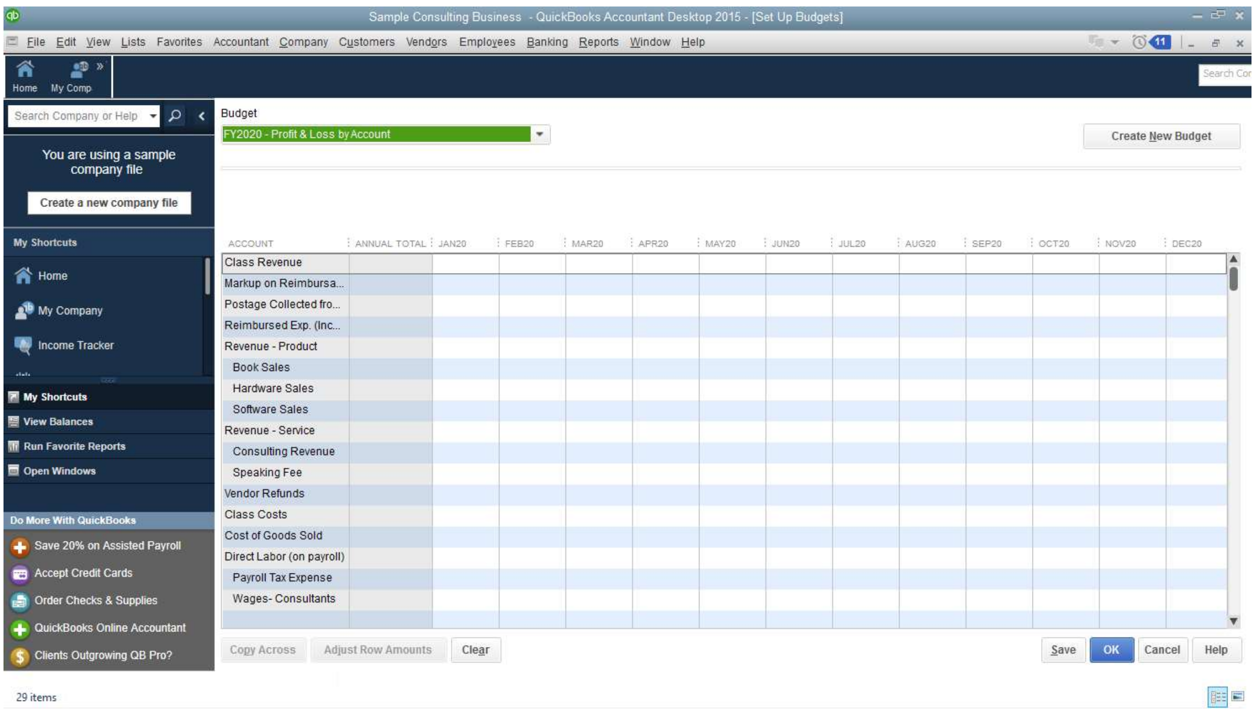
Next, it will ask you which year you want to create the budget for. So select the year you are working on.



This next screen is where it gets tricky. You are given two options: Create budget from scratch and Create budget from previous year's actual data.

Create the budget from scratch will create an empty template and look like below. This is just an empty spread sheet based on your chart of accounts. With this template, you would just enter the monthly data for your budget. If you created the P & L by month side by side as discussed at the beginning of this chapter, you would then enter the data in this template. It is a manual process, but if the amount of the expense is the same every month, you can hit the copy across button and QuickBooks would populate the entire row with the same number.

Once you have entered all of your data you need to check to make sure you do not have any errors. You would do this by running the budget report to make sure the net income amount equals with your spread sheet budget. You would get the budget report by going to the Reports menu and going down to Budgets & Forecasts.



Now let's show you how to create this budget template but have QuickBooks populate it with the prior years' data. This is a little tricky, so I am going to show you how to do this. The main issue is how to get the best data into the budget template. Here is the issue QuickBooks offers two choices. First create a budget from scratch, which we just covered. And secondly, create a budget from previous year's actual data. This option automatically enters the monthly totals from last year for each account in this budget.

Here is the problem. If you are creating a budget in the early part of the year like March, this is great because it will put last year's data in the budget. But let's say you are creating the budget for next year and it is October. The problem is it will pull the prior year's data which is now very old. For example, let's say it is October 2017 and you want to create a budget for 2018. When you select, "Create budget from previous year's actual data" it will pull all of the 2016 numbers and populate the budget with 2016 data. You are three quarters into 2017, it would be much better if you could get January through September 2017 data to populate the budget. Using the 2017 data is much newer than 2016 data and will create a much more accurate starting point for the 2018 budget. So how do you fix this?

There is a very easy fix to this problem, change the date of your computer. Move the date of your computer into the next year. When you do this, you trick QuickBooks into thinking you are now in 2018 and it will populate your budget with the 2017 data. Now since you are only in October, you will not have any November or December data, but you can use the 2016 data and your expectations for these months.

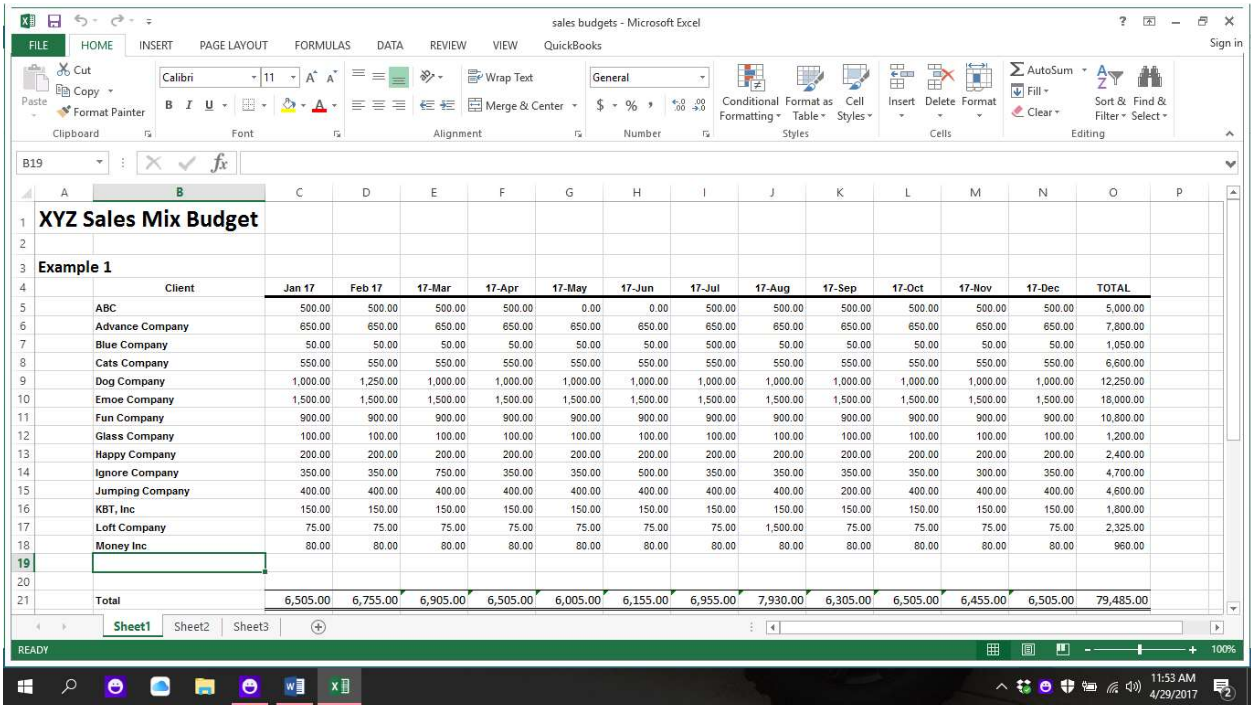
In summary, there are two different ways to create budgets in QuickBooks. First one is to just create a spreadsheet for the prior year P & L. Use this spreadsheet to create your new budget. Then input the data into a blank QuickBooks template. Secondly, populate the prior year data into the QuickBooks template. You might need to change the date of your computer to get the most recent data into your template.

The whole purpose of budgeting is to set your financial goals. And compare your goals to your actual results. Then investigate the variances between your budget numbers and your actual numbers. Discover what went right and what went wrong. But most importantly, creating solutions and a plan to get you back on track to make your goals. This process will give you control of your business and how to adjust to your ever changing environment.

Sales Budget

This lesson is the third part of budgeting. Here is how you should budget your sales. This is a very important lesson because the chances are if you are wrong on your budget you will be wrong on your revenue side. The reason why is because we all are optimistic. We all want our revenue to be X and as entrepreneurs, we are always focused on the revenue and we are always very optimistic on our revenue. We are going to take it a step further here. The whole point of what I call the Sales Mix Budget is to get your revenue to where you want it to be. So we are going to do a detailed sales budget and when you compare your actual numbers to this budget, your sales budget, you will see where you are off, and then once you know where you are off you can make adjustments to get you to goal. So the Sales Budget is actually going to drive a lot of your decisions. For example, let’s say you are short on a particular item or particular service that you provide, what you will discover is "I need to adjust my marketing to fix this". You then can change your marketing to focus on the items/services you did not do well on.

So, here is what I did, I created two sample budgets for us. Example one is if you are a professional company and you have clients. The client does this sales budget. I put down some numbers of what the client is projected to generate for us per month. This way you can compare what a particular client actually did to what you projected the client to do.

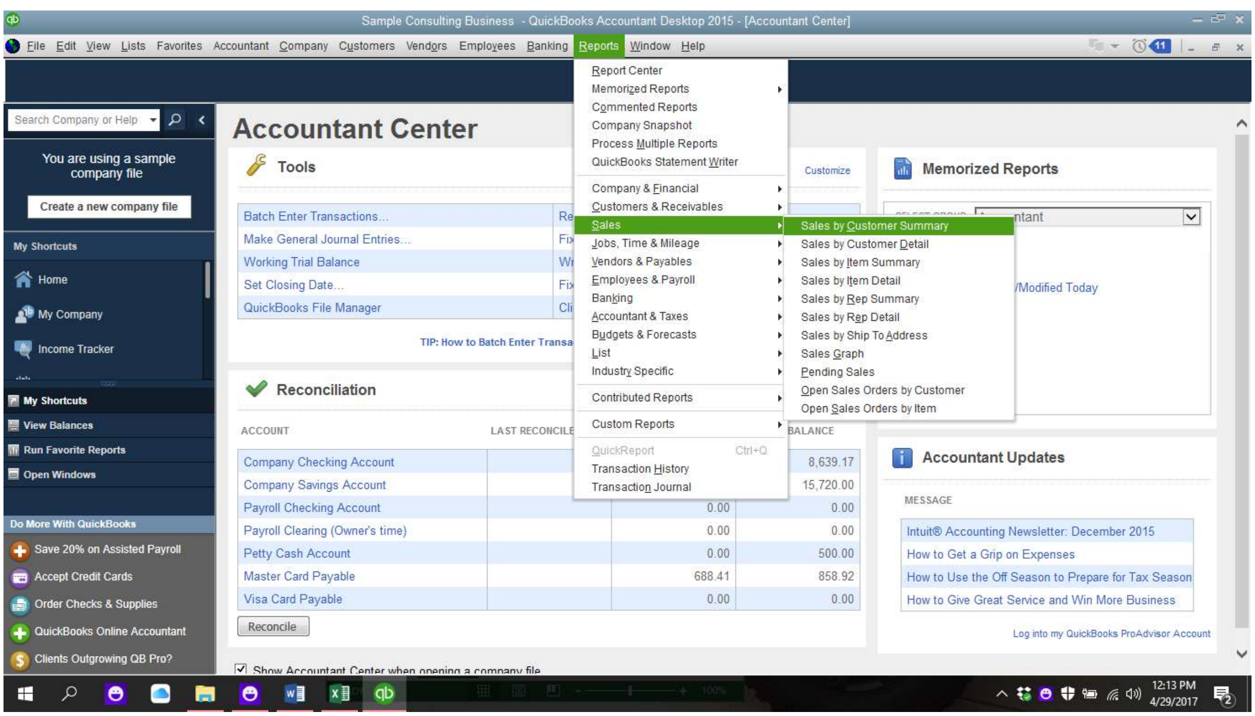


XYZ Sales Mix Budget

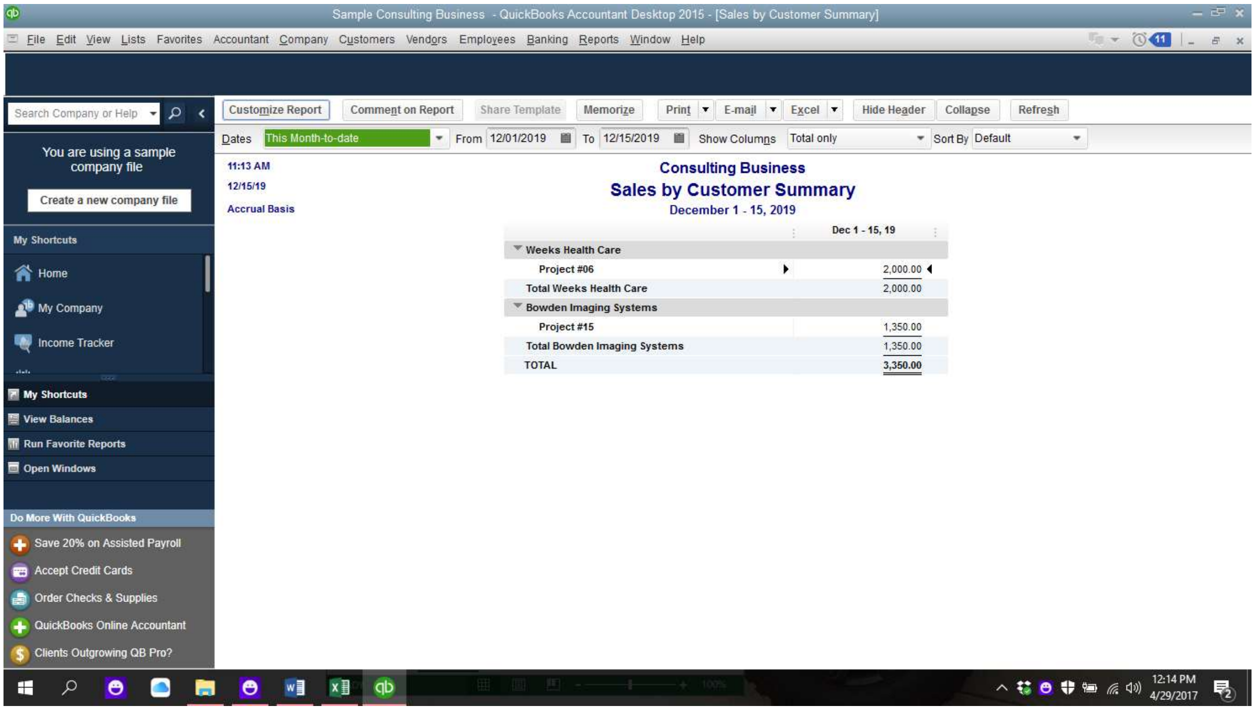
Example 1

Client	Jan 17	Feb 17	17-Mar	17-Apr	17-May	17-Jun	17-Jul	17-Aug	17-Sep	17-Oct	17-Nov	17-Dec	TOTAL
ABC	500.00	500.00	500.00	500.00	0.00	0.00	500.00	500.00	500.00	500.00	500.00	500.00	5,000.00
Advance Company	650.00	650.00	650.00	650.00	650.00	650.00	650.00	650.00	650.00	650.00	650.00	650.00	7,800.00
Blue Company	50.00	50.00	50.00	50.00	50.00	50.00	500.00	50.00	50.00	50.00	50.00	50.00	1,050.00
Cats Company	550.00	550.00	550.00	550.00	550.00	550.00	550.00	550.00	550.00	550.00	550.00	550.00	6,600.00
Dog Company	1,000.00	1,250.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	12,250.00
Emoe Company	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	18,000.00
Fun Company	900.00	900.00	900.00	900.00	900.00	900.00	900.00	900.00	900.00	900.00	900.00	900.00	10,800.00
Glass Company	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1,200.00
Happy Company	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	2,400.00
Ignore Company	350.00	350.00	750.00	350.00	350.00	500.00	350.00	350.00	350.00	350.00	300.00	350.00	4,700.00
Jumping Company	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	200.00	400.00	400.00	400.00	4,600.00
KBT, Inc	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	1,800.00
Loft Company	75.00	75.00	75.00	75.00	75.00	75.00	75.00	1,500.00	75.00	75.00	75.00	75.00	2,325.00
Money Inc	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	960.00
Total	6,505.00	6,755.00	6,905.00	6,505.00	6,005.00	6,155.00	6,955.00	7,930.00	6,305.00	6,505.00	6,455.00	6,505.00	79,485.00

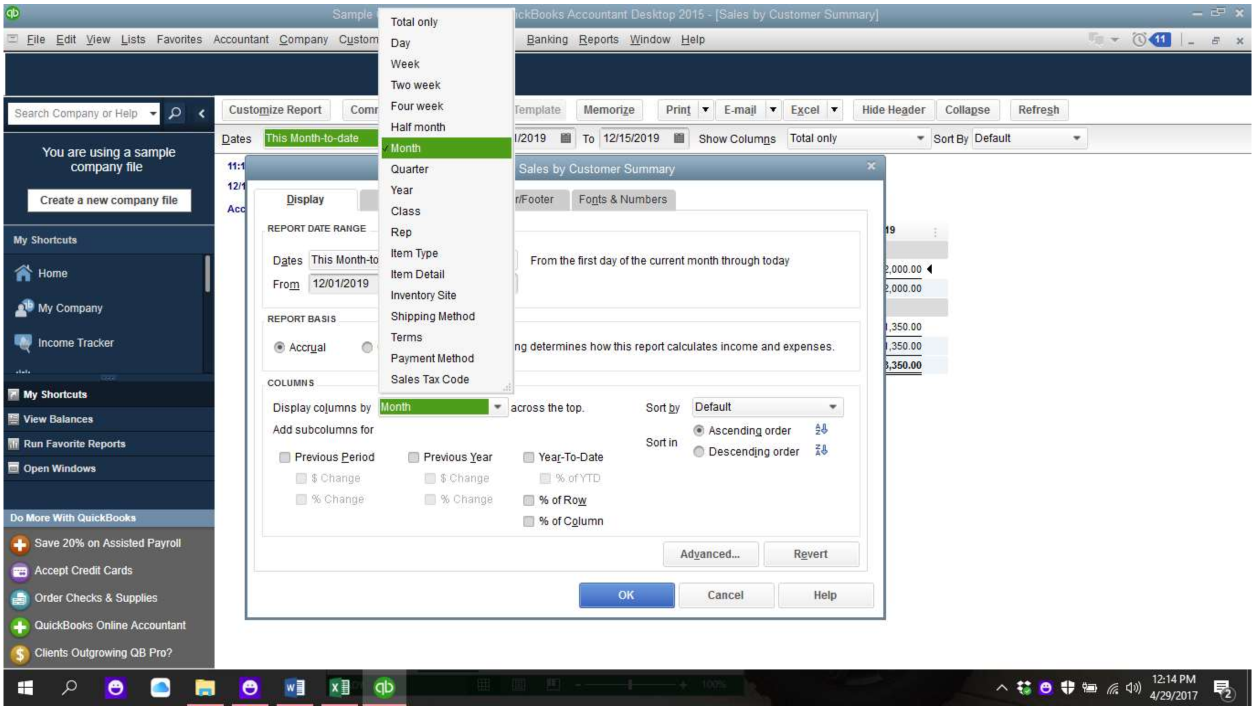
This is rather simple to create if you have QuickBooks. All you have to do is run sales by customer summary and export it to excel. The one I created above is a simple one with just the client or customer total. I will show you how to do one step by step in QuickBooks and will also include projects.



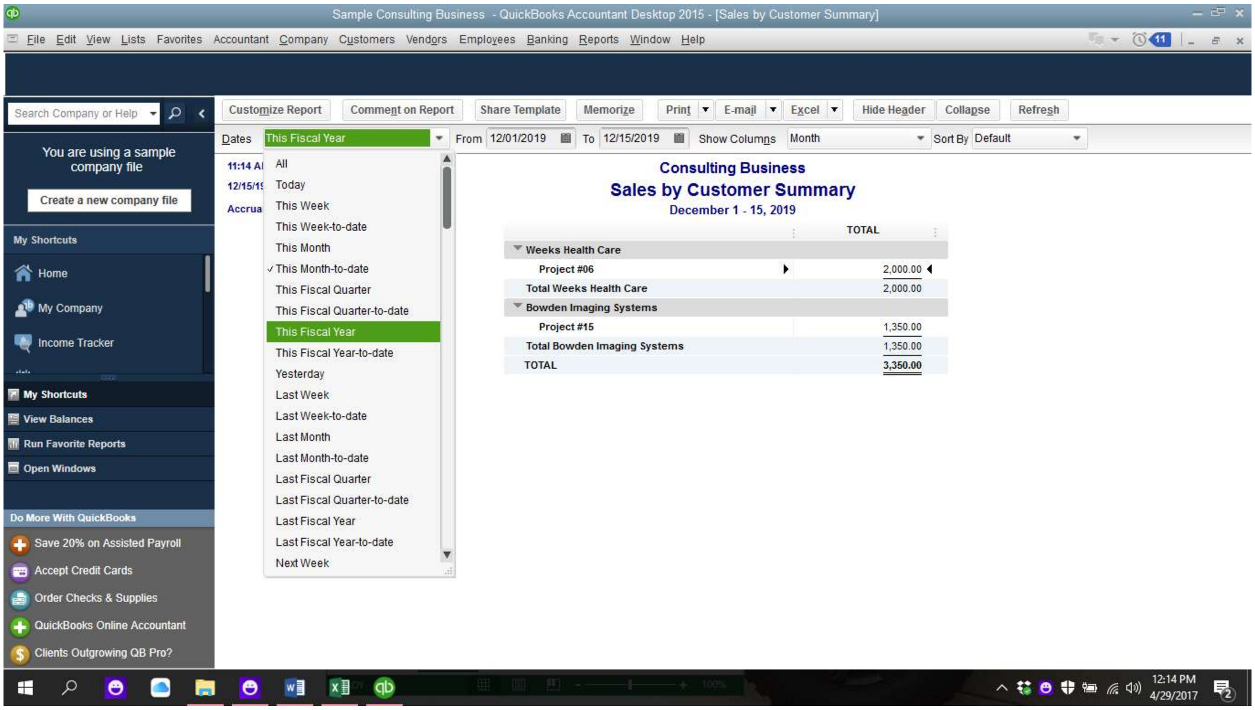
Once you create the report you will need to make some modifications. So click on the Customize Report button at the top left of the report.



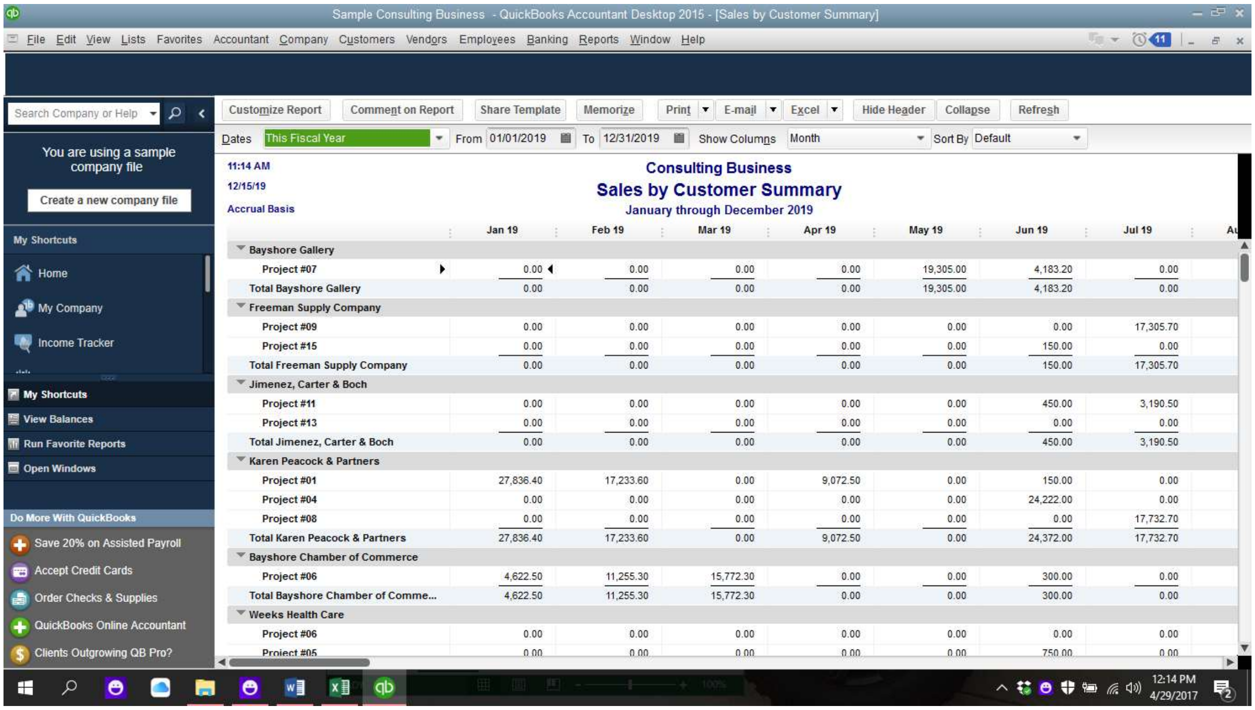
Next you want to change the Display columns by from Total to Month. Then you just pick a date range. I would pick a 12 month period. And you get the report below.



You can also export your client list and you can drop in your numbers and it wouldn't take you too long to do this.



Next, just export it out to Excel and you have your Sales Budget template by customer and by job. And it only took a couple of minutes to create this template.

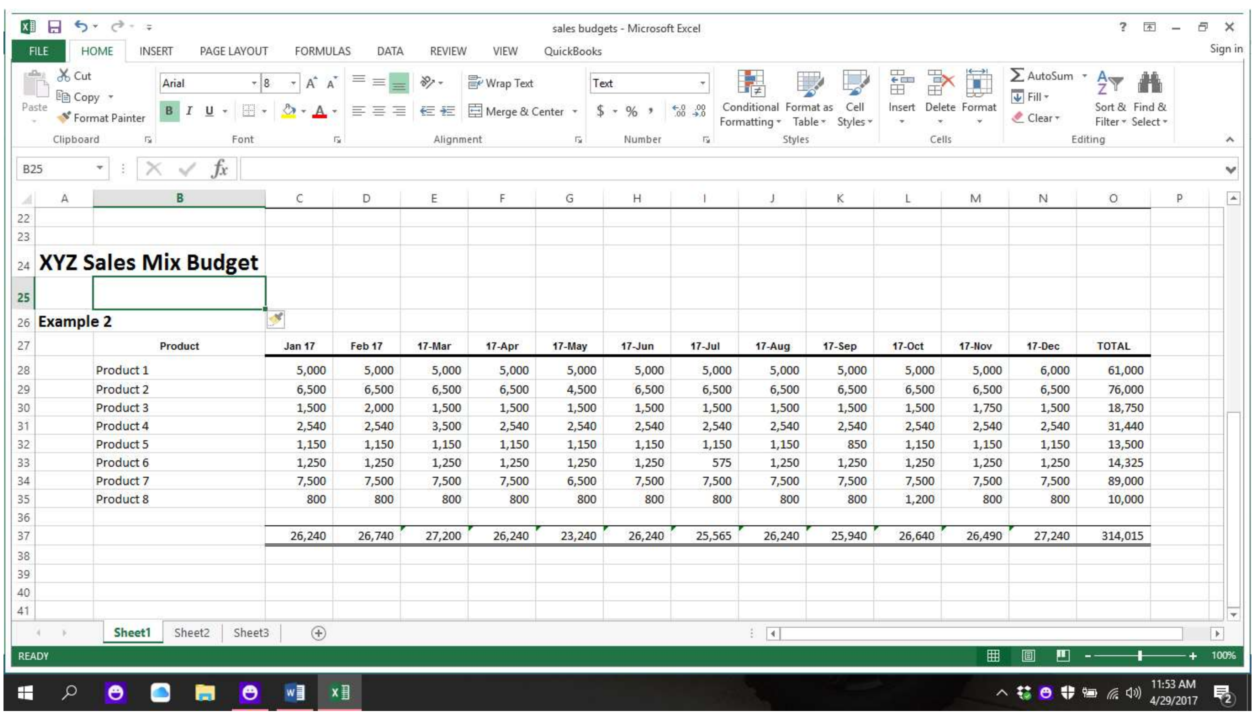


Consulting Business
Sales by Customer Summary
January through December 2019

11:14 AM
12/15/19
Accrual Basis

	Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	Jul 19
Bayshore Gallery							
Project #07	0.00	0.00	0.00	0.00	19,305.00	4,183.20	0.00
Total Bayshore Gallery	0.00	0.00	0.00	0.00	19,305.00	4,183.20	0.00
Freeman Supply Company							
Project #09	0.00	0.00	0.00	0.00	0.00	0.00	17,305.70
Project #15	0.00	0.00	0.00	0.00	0.00	150.00	0.00
Total Freeman Supply Company	0.00	0.00	0.00	0.00	0.00	150.00	17,305.70
Jimenez, Carter & Boch							
Project #11	0.00	0.00	0.00	0.00	0.00	450.00	3,190.50
Project #13	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Jimenez, Carter & Boch	0.00	0.00	0.00	0.00	0.00	450.00	3,190.50
Karen Peacock & Partners							
Project #01	27,836.40	17,233.60	0.00	9,072.50	0.00	150.00	0.00
Project #04	0.00	0.00	0.00	0.00	0.00	24,222.00	0.00
Project #08	0.00	0.00	0.00	0.00	0.00	0.00	17,732.70
Total Karen Peacock & Partners	27,836.40	17,233.60	0.00	9,072.50	0.00	24,372.00	17,732.70
Bayshore Chamber of Commerce							
Project #06	4,622.50	11,255.30	15,772.30	0.00	0.00	300.00	0.00
Total Bayshore Chamber of Comme...	4,622.50	11,255.30	15,772.30	0.00	0.00	300.00	0.00
Weeks Health Care							
Project #06	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Project #05	0.00	0.00	0.00	0.00	0.00	750.00	0.00

You can create a Sales Mix Budget the same for if you sell products. You would follow the same steps as creating the budget by customers in QuickBooks. Here is an example of sales budget mix by product.



XYZ Sales Mix Budget

Example 2

Product	Jan 17	Feb 17	17-Mar	17-Apr	17-May	17-Jun	17-Jul	17-Aug	17-Sep	17-Oct	17-Nov	17-Dec	TOTAL
Product 1	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	6,000	61,000
Product 2	6,500	6,500	6,500	6,500	4,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	76,000
Product 3	1,500	2,000	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,750	1,500	18,750
Product 4	2,540	2,540	3,500	2,540	2,540	2,540	2,540	2,540	2,540	2,540	2,540	2,540	31,440
Product 5	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150	850	1,150	1,150	1,150	13,500
Product 6	1,250	1,250	1,250	1,250	1,250	1,250	575	1,250	1,250	1,250	1,250	1,250	14,325
Product 7	7,500	7,500	7,500	7,500	6,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	89,000
Product 8	800	800	800	800	800	800	800	800	800	1,200	800	800	10,000
	26,240	26,740	27,200	26,240	23,240	26,240	25,565	26,240	25,940	26,640	26,490	27,240	314,015

Then down below I created one by-product, so you can say okay, product 1 2 3 4 5 6 7 8, so I did a product sales budget.

The purpose of the Sales Mix Budget is to determine where you deviated from your sales forecast. Once you see where you fell short of your expectations, then it is simply diving in to figure the why you fell short. After you figure out the why and what went wrong, then you figure out how to fix it. Do you adjust your marketing? Do you abandon the product for another? Do order more of the items that outperformed your budget? When you make this comparison, you will discover, what you sold compared to what you anticipated. It is much better to make your decisions on the facts instead what you perceived what happened.

Let’s look at the XYZ Sales Mix Budget and do an example. So, let's say come February you only sold $1,000 of product 1 and your budget was $5,000. Why are you short the $4,000? Did your marketing campaign fail? Did you not have enough inventory? What was the reason you did not make your goal of $5,000?

This is a very powerful tool. Having your projected sales broken out by item. Within a couple of minutes, you can see exactly what went right and what is not working according to your plan. Next, you dig into the details of all of the sales budget and ask yourself what happened and why did that happen. Why did this product do well, why did this product not perform?

Maybe a shipment didn't go out, could be all kinds of reasons, we need to find out why. Or maybe the product 8 instead of doing 800, it did 8000. Okay well, that is great news. So we need to shift more advertising to other products, or maybe we add more marketing to product 8, so we can really blow it out of the park.

I typically only drop the total number from my sales budget to the top line of the main budget. Always look to make things as simple as you can. You can always change the mix. The main point in this exercise is to see what you projected to sell and you compared it to what you did sell and find out what the variances are. Then do your best to figure out why you had variances and so you can properly fix your problems. Once you know the problems, you make your adjustments so, in the end you get to your financial goal. It's really that simple. The sales mix budget is a great tool. Find out what's going on with your sales and what you need to do to make adjustments. Again everything in financial analysis is what I projected to happen and what you actually did, and why.

Bonus Chapters

Chapter 9

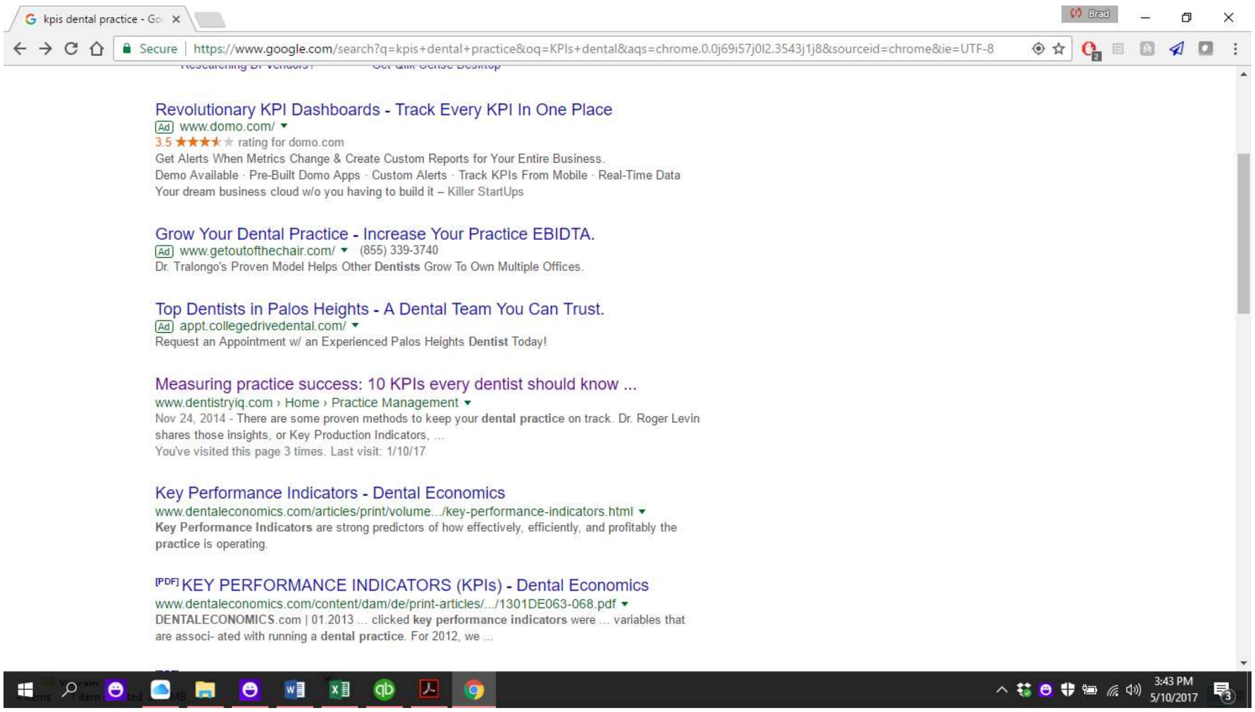
Key Performance Indicators KPI's

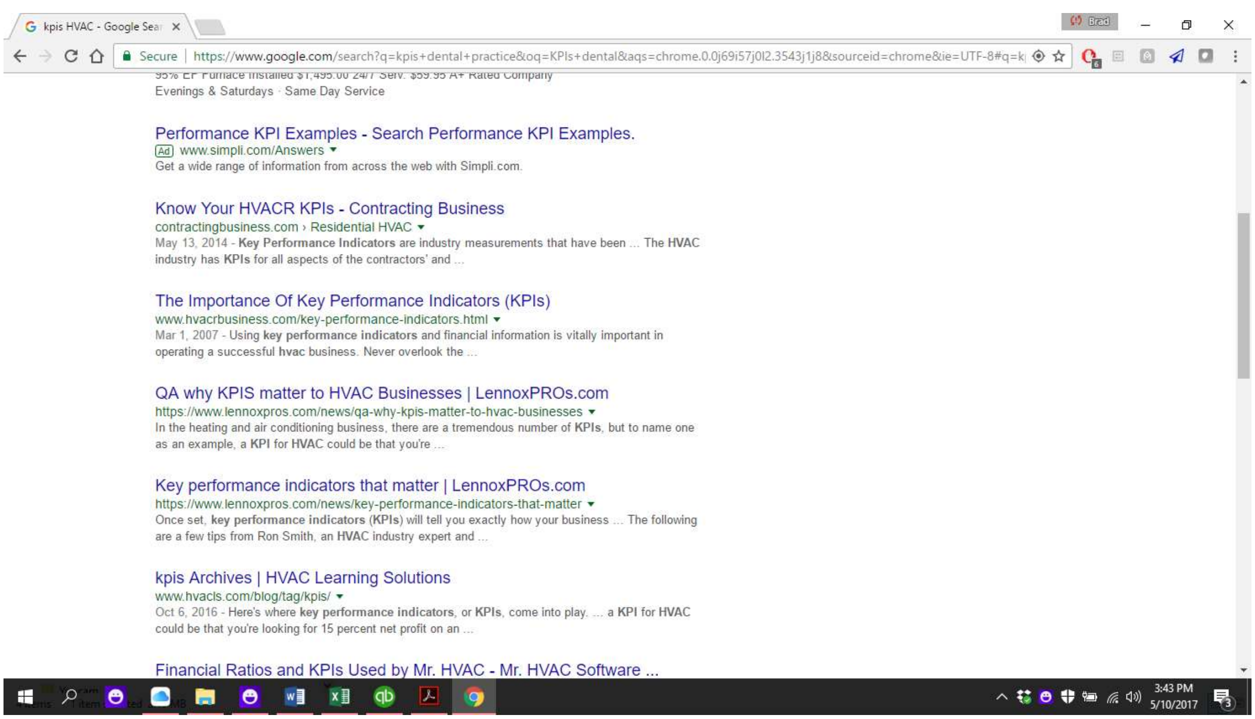
Large companies hire teams of financial analysts to study and analyze their companies. These financial analysts are constantly reviewing all of the financial aspects of their businesses. They are always looking at the profitability of every aspect of their business. You most likely do not have that much time, and your company is probably not large enough to hire a team of them. The good news is your company really only needs to track and manage a few Key Performance Indicators (KPI's). A Key Performance Indicator (KPI) is a performance measurement. KPI's evaluate an activity in which an organization engages. Most KPIs are very easy to obtain and track.

For KPIs, you need to determine two things. What KPIs are important to your business and industry and which ones you want to track. I highly recommend you start with only one or two KPIs and then you can add more when you have a handle on the first two. Otherwise, you will overwhelm yourself. Best to start small and add when you are ready.

How do you determine what KPIs you should track? I would recommend you start with your industry trade organizations and then internet searching. Most trade organizations will tell you what KPIs are applicable to your industry. Even software companies for your industry will be a great source of KPIs you should be tracking.

Here are a couple of screen shots of simple Google searches. The first one is for KPIs for Dental Practices and the second one is KPIs for HVAC. HVAC stands for Heating, Ventilation, and Air Conditioning.





So you can see a very simple internet search will get you started in which ones you want to track.

Once you determine the ones you want to track, next I would create a spreadsheet and put them in there for the period you want to track. You will have to determine if you need to track daily, weekly, monthly, annually or all of the above. I like spreadsheets because you can identify trends and you can also chart the data very easily.

Chapter 10

The Break-Even Point Analysis

Most business owners think their break-even number is fixed, but it is not. The break-even point is constantly changing. The break-even point of a company changes every month, and the change could be very dramatic. There are several components in the break-even point and a small change in one of the components' could have a very large change in the actual break-even point. We will show how this changes and it impacts when we set up this formula in a Profit & Loss by Month spreadsheet.

We are going to start with the Profit & Loss by Month we created earlier, and then we are going to set up the break-even formula in this spreadsheet. Then we are going to copy and paste this formula month by month and see if the amounts change.

We go to the very bottom of the spreadsheet and add these descriptions in Column F starting in row 85.We are going to add these descriptions twice. The first one is to show the actual numbers and the second one is to display the percentages.

Break even

Revenue

Cost of goods/services

gross margin

Expenses

Net Income

Break even

Revenue

Cost of goods/services

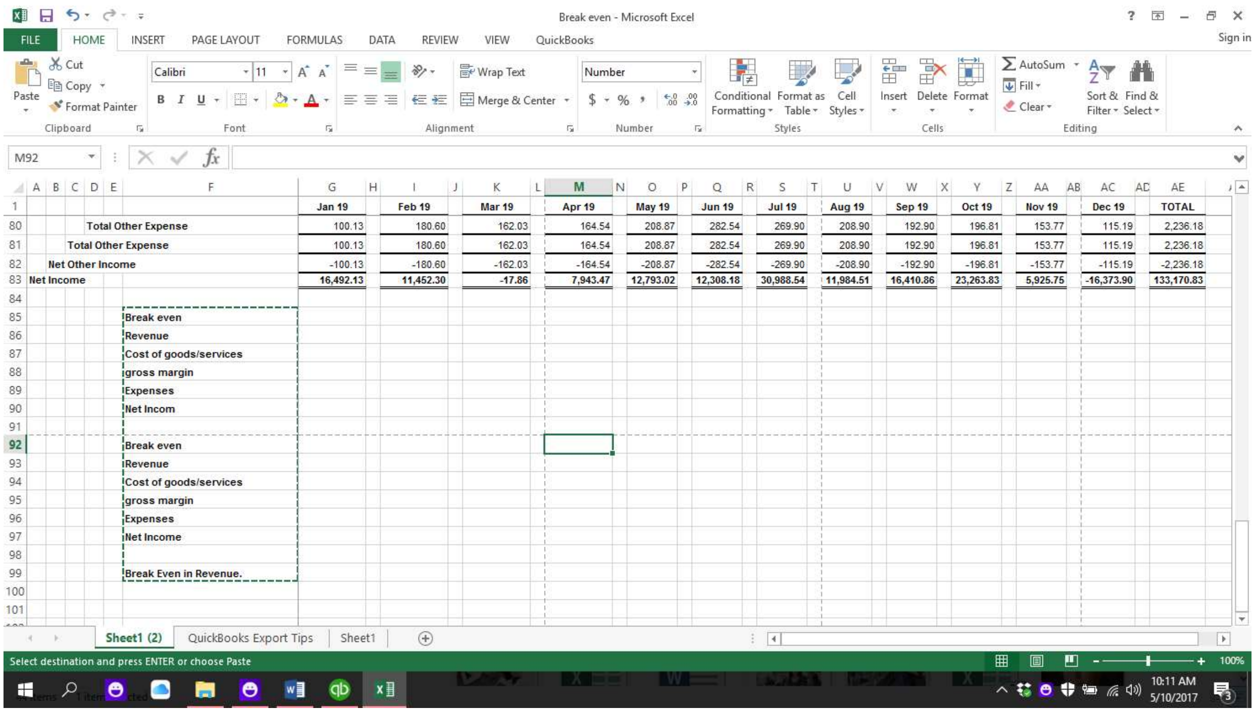
gross margin

Expenses

Net Income

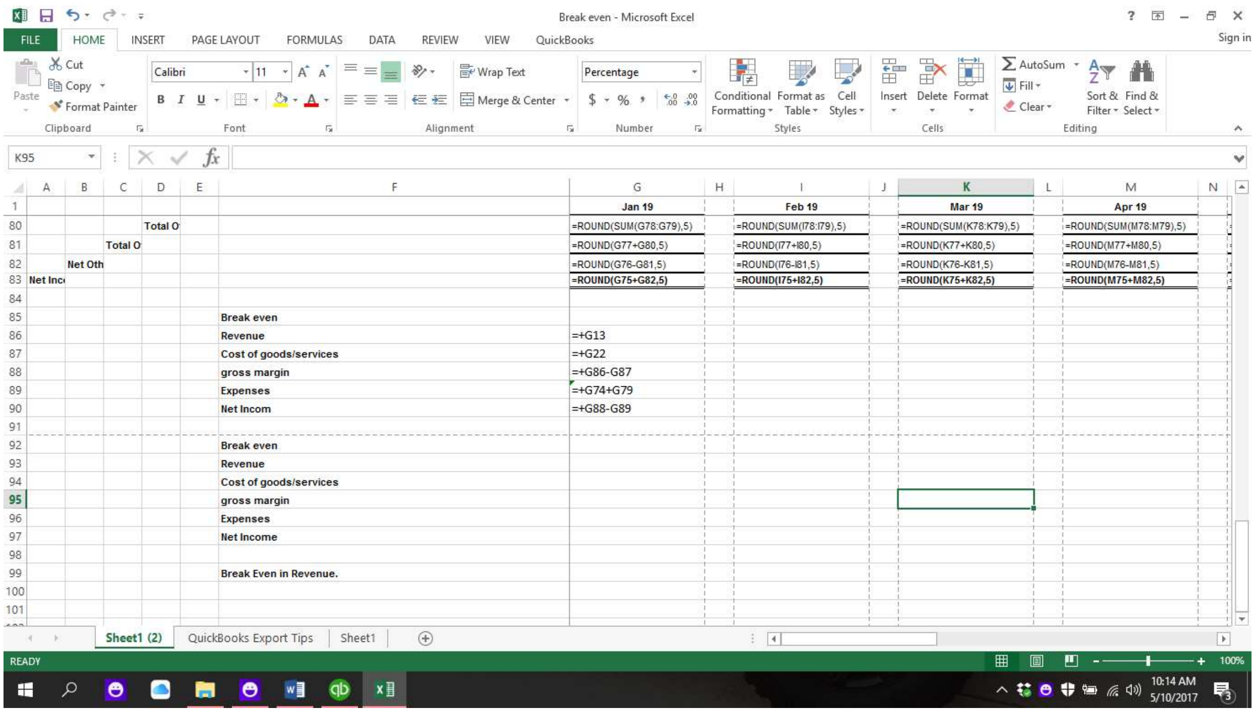
Break Even in Revenue.

When this is done it will look like this.



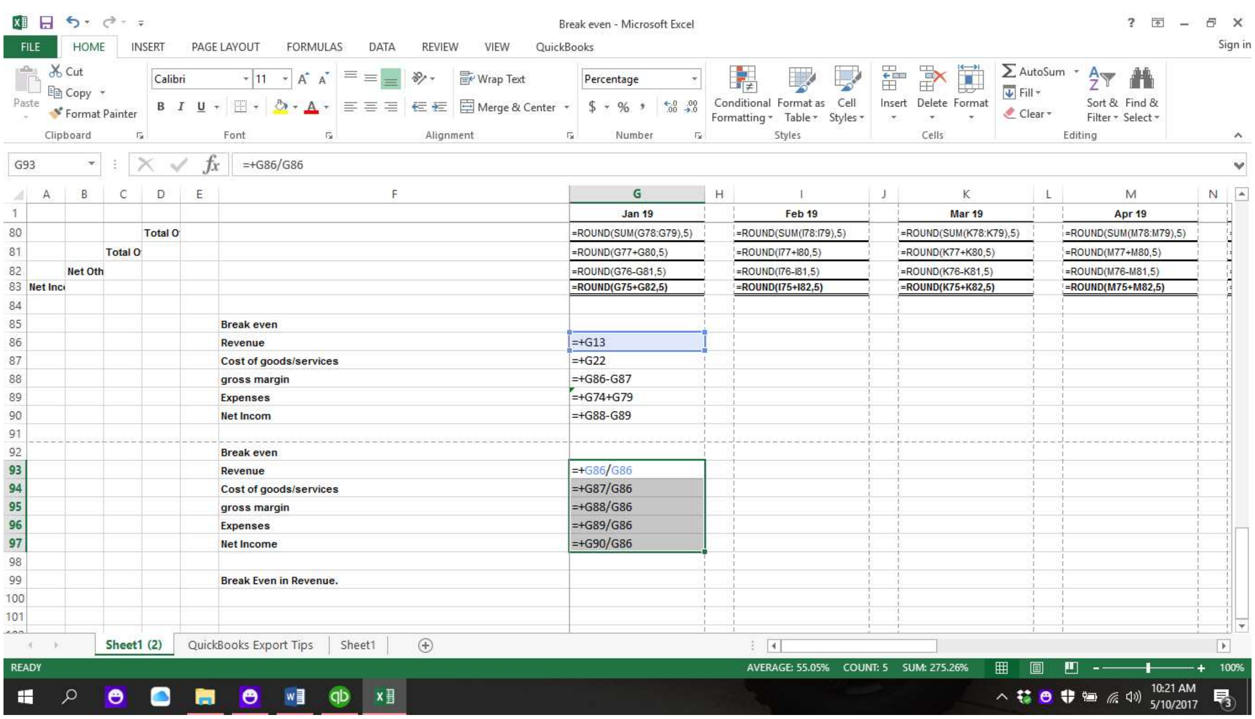
Now we are going to populate the column G with formulas. I like to put the curser in cell I want the formula and then hit the + key, then scroll up to the cell I want in that cell and hit the plus or minus key.

The illustration below shows the formulas I pulled down and created a couple of simple formulas.

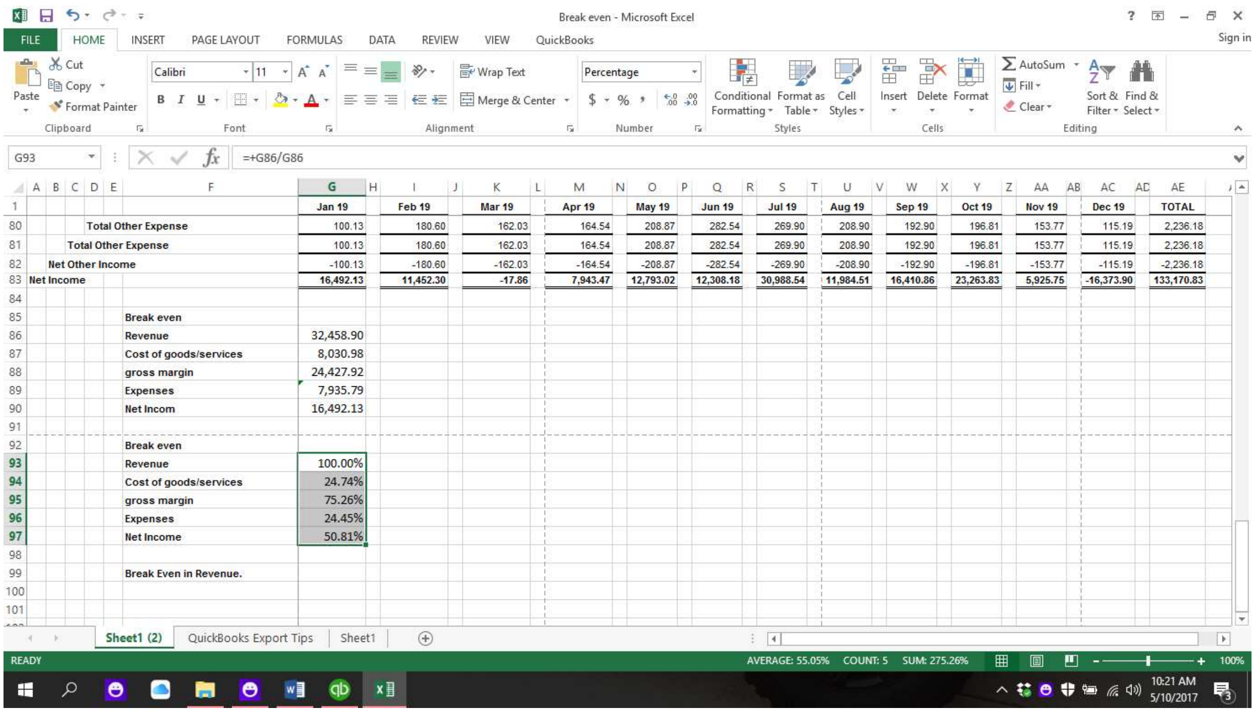


So what we did here is grabbing the components in the break-even calculation and create them in a summary format for us. This way we can see the components easily. Next, below the components by amount, we are going to create the summary by percentage.

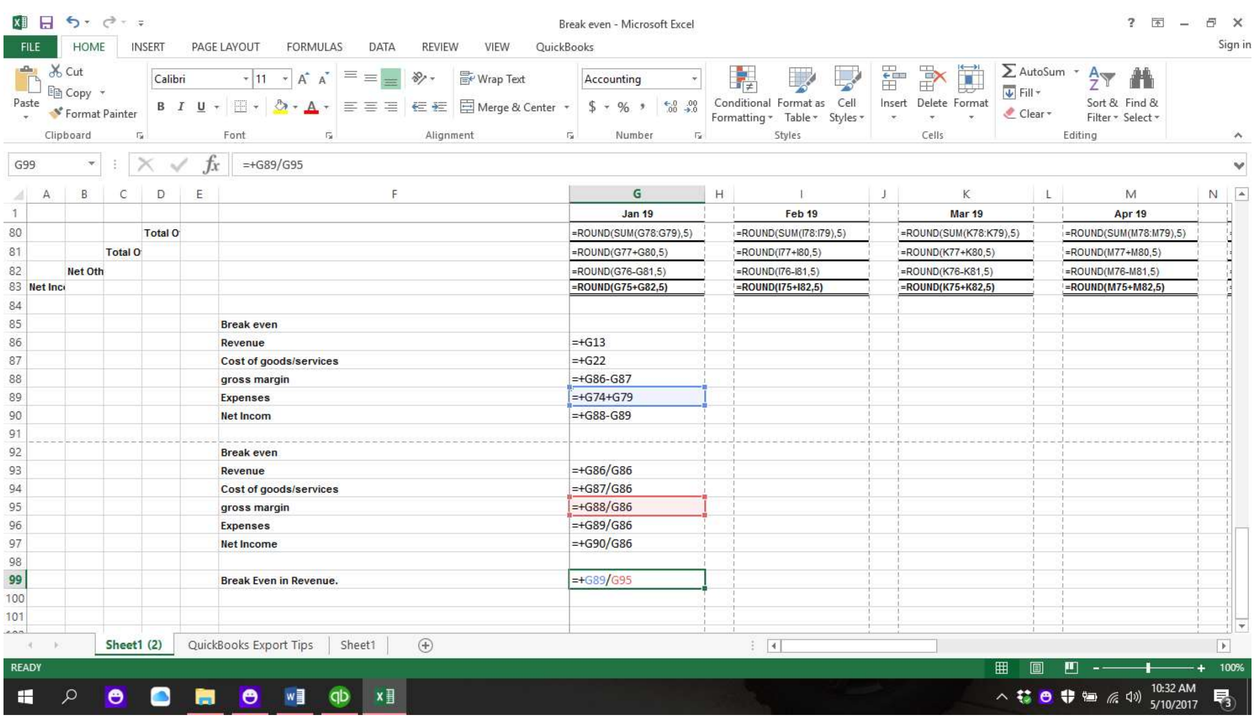
Here is the formulas I created:



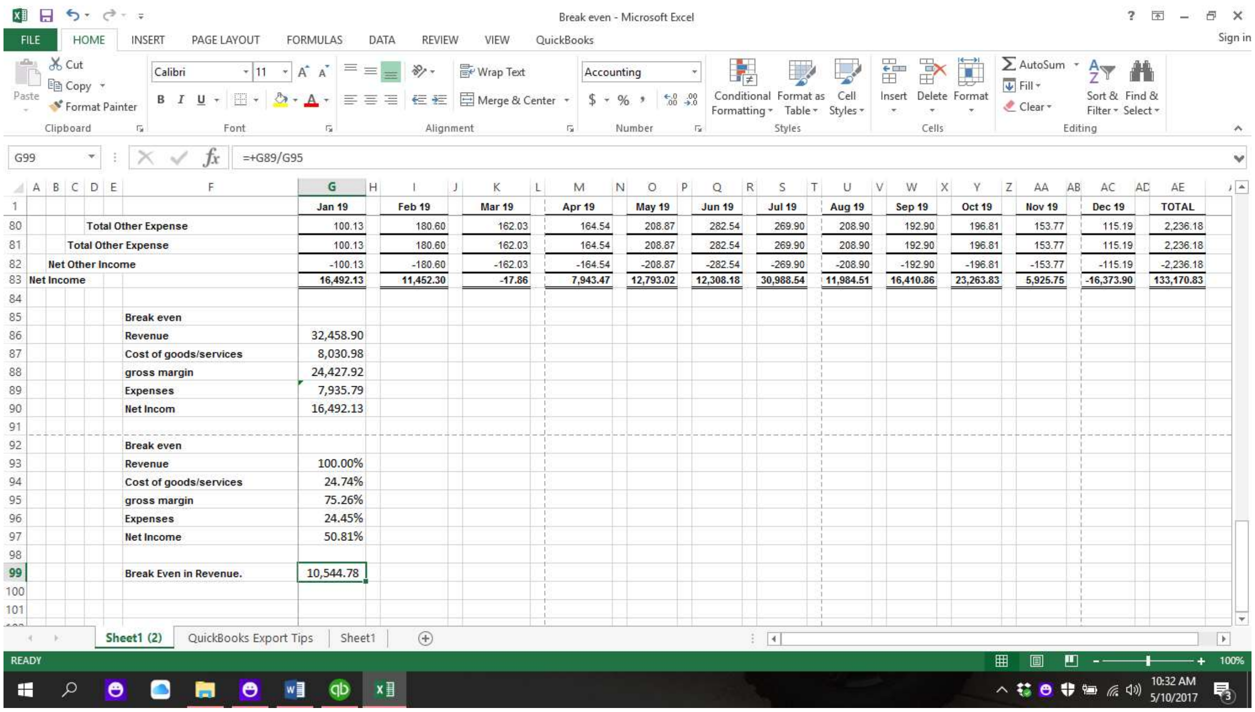
And this is what it will look like when you are done.



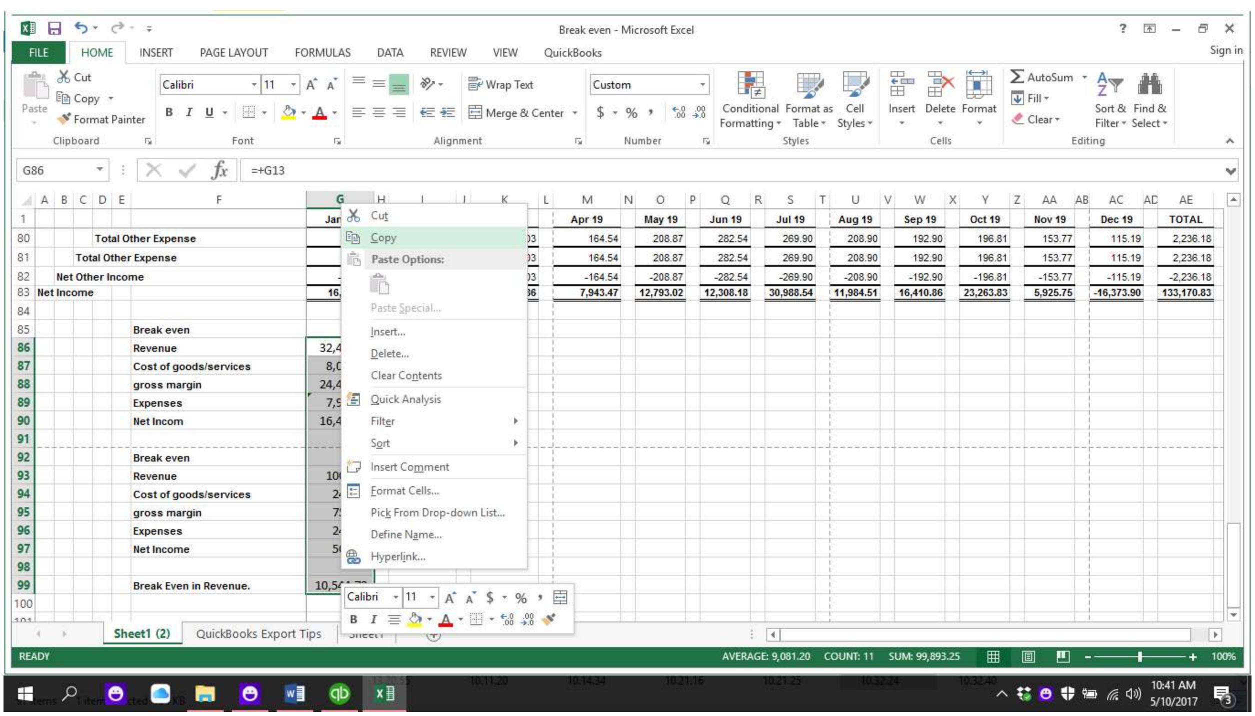
Now we will create and add the break-even formula in revenue. The formula is gross margin% divide by expenses in dollars.

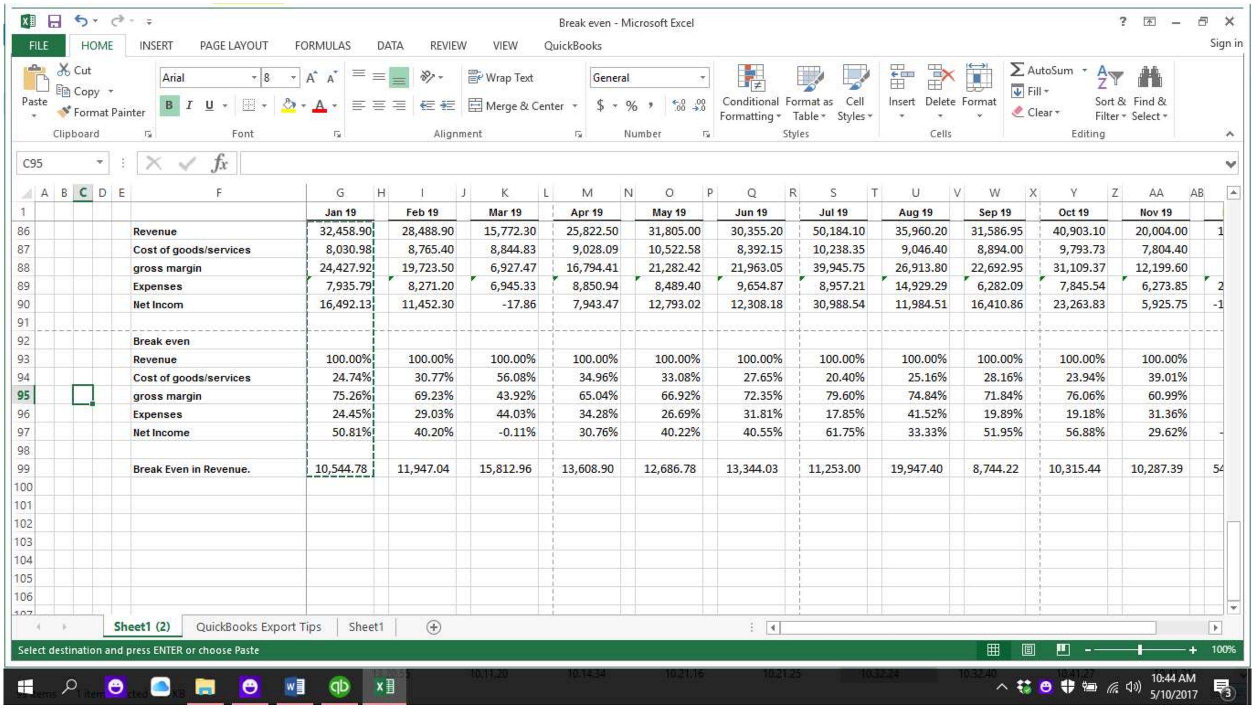


When you are done with this step, your spread sheet will look like this:



So you can see for the month of January your break-even is $10,544.78. However, the point of this lesson is your break-even will be different every single month. The January break-even is based on the gross margin percentage of 75.26%, what if this changed? Guess what, your margin will most likely change every single month. Next, we are going to copy these formulas and paste them to every month. This will allow us to see what the break-even is for every month of the year.





	Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	Jul 19	Aug 19	Sep 19	Oct 19	Nov 19
Revenue	32,458.90	28,488.90	15,772.30	25,822.50	31,805.00	30,355.20	50,184.10	35,960.20	31,586.95	40,903.10	20,004.00
Cost of goods/services	8,030.98	8,765.40	8,844.83	9,028.09	10,522.58	8,392.15	10,238.35	9,046.40	8,894.00	9,793.73	7,804.40
gross margin	24,427.92	19,723.50	6,927.47	16,794.41	21,282.42	21,963.05	39,945.75	26,913.80	22,692.95	31,109.37	12,199.60
Expenses	7,935.79	8,271.20	6,945.33	8,850.94	8,489.40	9,654.87	8,957.21	14,929.29	6,282.09	7,845.54	6,273.85
Net Incom	16,492.13	11,452.30	-17.86	7,943.47	12,793.02	12,308.18	30,988.54	11,984.51	16,410.86	23,263.83	5,925.75
Break even											
Revenue	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Cost of goods/services	24.74%	30.77%	56.08%	34.96%	33.08%	27.65%	20.40%	25.16%	28.16%	23.94%	39.01%
gross margin	75.26%	69.23%	43.92%	65.04%	66.92%	72.35%	79.60%	74.84%	71.84%	76.06%	60.99%
Expenses	24.45%	29.03%	44.03%	34.28%	26.69%	31.81%	17.85%	41.52%	19.89%	19.18%	31.36%
Net Income	50.81%	40.20%	-0.11%	30.76%	40.22%	40.55%	61.75%	33.33%	51.95%	56.88%	29.62%
Break Even in Revenue.	10,544.78	11,947.04	15,812.96	13,608.90	12,686.78	13,344.03	11,253.00	19,947.40	8,744.22	10,315.44	10,287.39

So now you have a lot of cool data. You can see how your break-even dollar amount was different every month. From January through November the range is $8,744.22 through $19,947.40, so you can see the break-even fluctuated greatly. To make matters worse, in December the sample company pays out year-end bonuses, and the break-even jumps to $54,340.74. So what causes the break-even to fluctuate so greatly?

The first thing you want to examine is the break-even analysis is the variance of the break-even is the gross margin. The maximum gross margin in this example is 79.60% and the low is 42.63%, so gross margin has a range of 36.97%. This is a huge fluctuation. Remember, Gross Margin is sales minus cost of goods or cost of services sold. In non-technical talk, your sales less your labor or your products you sell. The important thing to remember is Gross Margin is what is left over after you pay for your products or labor for your services. And it is needed to pay your bills like utilities, rent, insurance, and most importantly your salary and profit distributions. So controlling gross margin is very important.

Secondly, you notice your expenses also varied greatly month to month. The expenses run between $6,273.85 and $14,929.29 through November. And when you add in December the expenses are as high as $23,166.48 due to the year-end bonuses. Most people think the expense section on the profit and loss statement are more like fixed costs. For the most part, they are but will can also very greatly. In this example in the month of August expenses jump to $19,947.40 this is due to a marketing expense and a conference or seminar. So, you will have some annual expenses or some seasonality to your expenses which will change your break-even.

Chapter 11

Benchmarking.

Another great tool for the small business owner is to benchmark their data to their industry. The objectives of benchmarking are to determine whether your company is performing efficiently as compared to your competitors. You assess if your costs are in line with your industry, and learn if you can lower your costs. Learn how you can improve your cost structure. Seeing how you compare to your industry is an important tool for one to see what they are doing right and what they need improving on.

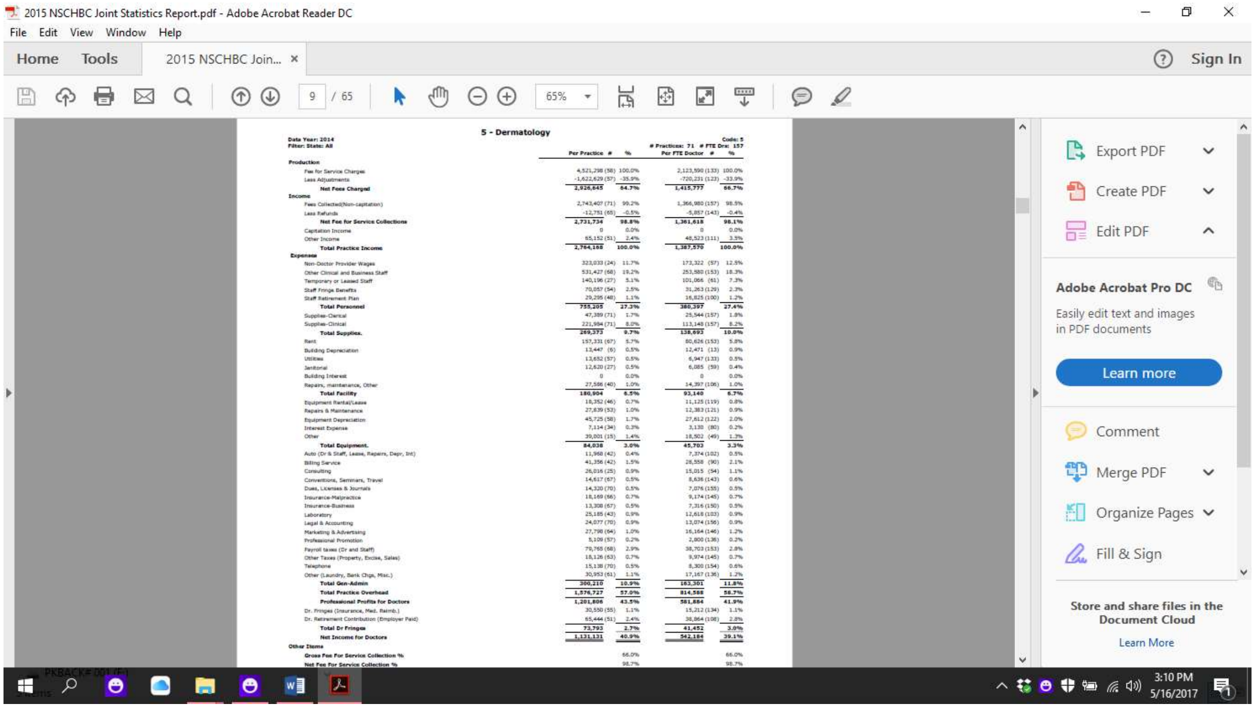
The great news about benchmarking is you only have to do it once or twice a year. The hard part about benchmarking is getting the data. Getting accurate data on Profit and Loss statements is difficult to come by.

The IRS has this data on their website, but you do not know how accurate it is. It might be hard to believe, but when you have very high tax rates, there is a tendency to have more aggressive tax filings. However, if you cannot get information from any other source, IRS data is better than no data.

Your best bet is to contact trade organizations for your industry. Typically, they will be your best bet for data. Often you can get it for free. I was working with a medical biller and I knew his payroll was way too high. However, I did not know what it should be, so I called the largest trade organization and asked them. They were able to give me the info on the phone, it was fast and easy.

You can also purchase this data. You can try to purchase reports from www.bizminer.com.

Here is an example of industry compiled benchmarking report from National Society of Certified Healthcare Business Consultants. I had to purchase this report and it is very expensive. This report shows data from Dermatology practices there appears this is compiled from 71 practices. It also breaks down the numbers by a physician which could be very helpful. So, you can see you can compare what your expenses are by percentage to your peers. This is very helpful in determining how you compare to your industry and what you need to improve.



5 - Dermatology

Data Year: 2014
Filter: State: All

Code: 5
Practices: 71 # FTE Drs: 157

	Per Practice #	%	Per FTE Doctor #	%
Production				
Fee for Service Charges	4,521,298 (58)	100.0%	2,123,590 (133)	100.0%
Less Adjustments	-1,622,629 (57)	-35.9%	-720,231 (123)	-33.9%
Net Fees Charged	**2,926,645**	**64.7%**	**1,415,777**	**66.7%**
Income				
Fees Collected(Non-capitation)	2,743,407 (71)	99.2%	1,366,980 (157)	98.5%
Less Refunds	-12,751 (65)	-0.5%	-5,857 (143)	-0.4%
Net Fee for Service Collections	**2,731,734**	**98.8%**	**1,361,618**	**98.1%**
Capitation Income	0	0.0%	0	0.0%
Other Income	65,152 (51)	2.4%	48,523 (111)	3.5%
Total Practice Income	**2,764,168**	**100.0%**	**1,387,570**	**100.0%**
Expenses				
Non-Doctor Provider Wages	323,033 (24)	11.7%	173,322 (57)	12.5%
Other Clinical and Business Staff	531,427 (68)	19.2%	253,580 (153)	18.3%
Temporary or Leased Staff	140,196 (27)	5.1%	101,066 (61)	7.3%
Staff Fringe Benefits	70,057 (54)	2.5%	31,263 (129)	2.3%
Staff Retirement Plan	29,295 (48)	1.1%	16,825 (100)	1.2%
Total Personnel	**755,205**	**27.3%**	**380,397**	**27.4%**
Supplies-Clerical	47,389 (71)	1.7%	25,544 (157)	1.8%
Supplies-Clinical	221,984 (71)	8.0%	113,148 (157)	8.2%
Total Supplies.	**269,373**	**9.7%**	**138,693**	**10.0%**
Rent	157,331 (67)	5.7%	80,626 (153)	5.8%
Building Depreciation	13,447 (6)	0.5%	12,471 (13)	0.9%
Utilities	13,652 (57)	0.5%	6,947 (133)	0.5%
Janitorial	12,620 (27)	0.5%	6,085 (59)	0.4%
Building Interest	0	0.0%	0	0.0%
Repairs, maintenance, Other	27,586 (40)	1.0%	14,397 (106)	1.0%
Total Facility	**180,904**	**6.5%**	**93,140**	**6.7%**
Equipment Rental/Lease	18,352 (46)	0.7%	11,125 (119)	0.8%
Repairs & Maintenance	27,839 (53)	1.0%	12,383 (121)	0.9%
Equipment Depreciation	45,725 (58)	1.7%	27,612 (122)	2.0%
Interest Expense	7,114 (34)	0.3%	3,130 (80)	0.2%
Other	39,001 (15)	1.4%	18,502 (49)	1.3%
Total Equipment.	**84,038**	**3.0%**	**45,703**	**3.3%**
Auto (Dr & Staff, Lease, Repairs, Depr, Int)	11,968 (42)	0.4%	7,374 (102)	0.5%
Billing Service	41,356 (42)	1.5%	28,558 (90)	2.1%
Consulting	26,016 (25)	0.9%	15,015 (54)	1.1%
Conventions, Seminars, Travel	14,617 (67)	0.5%	8,636 (143)	0.6%
Dues, Licenses & Journals	14,320 (70)	0.5%	7,076 (155)	0.5%
Insurance-Malpractice	18,169 (66)	0.7%	9,174 (145)	0.7%
Insurance-Business	13,308 (67)	0.5%	7,316 (150)	0.5%
Laboratory	25,185 (43)	0.9%	12,618 (103)	0.9%
Legal & Accounting	24,077 (70)	0.9%	13,074 (156)	0.9%
Marketing & Advertising	27,798 (64)	1.0%	16,164 (146)	1.2%
Professional Promotion	5,109 (57)	0.2%	2,800 (136)	0.2%
Payroll taxes (Dr and Staff)	79,765 (68)	2.9%	38,703 (153)	2.8%
Other Taxes (Property, Excise, Sales)	18,126 (63)	0.7%	9,974 (145)	0.7%
Telephone	15,138 (70)	0.5%	8,300 (154)	0.6%
Other (Laundry, Bank Chgs, Misc.)	30,953 (61)	1.1%	17,167 (136)	1.2%
Total Gen-Admin	**300,210**	**10.9%**	**163,301**	**11.8%**
Total Practice Overhead	**1,576,727**	**57.0%**	**814,568**	**58.7%**
Professional Profits for Doctors	**1,201,806**	**43.5%**	**581,884**	**41.9%**
Dr. Fringes (Insurance, Med. Reimb.)	30,550 (55)	1.1%	15,212 (134)	1.1%
Dr. Retirement Contribution (Employer Paid)	65,444 (51)	2.4%	38,864 (108)	2.8%
Total Dr Fringes	**73,793**	**2.7%**	**41,452**	**3.0%**
Net Income for Doctors	**1,131,131**	**40.9%**	**542,184**	**39.1%**
Other Items				
Gross Fee For Service Collection %		66.0%		66.0%
Net Fee For Service Collection %		98.7%		98.7%

Conclusion.

The material we covered in this book is a step by step system for you, the business owner, to be your own Chief Financial Officer. These techniques are what a typical CFO would do for your company on a consistent and on-going basis. As you can see, none of this material is overly complicated. But the processes are designed for you to figure out what is going on within your business and for you to discover what is working right and what is not working. Then you need to find out all of the whys. Why is this working and why is this not working. And finally, coming up with solutions on how fix your company's problems or just adapting to the ever changing business environment. And all of this is based on your actual numbers, and not gut feeling or shooting from the hip.

We have outlined many tricks to significantly reduce the amount of time to do these tasks.

But most importantly, you need to review your general ledger at a minimum once a month. In today's environment this should be done once a week. With online bank feeds into your software and online access to your bank account. You can easily review and adjust your general report every week. I personally, do it every Monday morning for my company.

However, if you cannot find the time or if you need help setting up these techniques, feel free to reach out to me. We have several levels of service to help you get these set up. We have programs for the very, very small companies to the 10 million dollar entities.