

Welcome

Basics of Book Keeping



Mitchell Community College
Small Business Center

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Accounting

Accounting=

A counting

“Accounting 101”

- Right Side – Left Side
- Debits and Credits
- Double Entry Books
- Profit and Loss



Books

Cash

Deposit
Deposit
Deposit
Deposit
Deposit
Deposit
Deposit

Rent

January
February
March
April
May
June
July



CONTENTS

- **BOOKKEEPING PRINCIPLES**
- **WHY KEEP RECORDS**
- **FINANCIAL REPORTING**
- **COUNTING STUFF**
- **TAX PLANNING**

Book Keeping Principles

Will you need an accountant?

GAAP/CPA – Generally Accepted Accounting Principles

Keep a Business Check Book (IRS Pub 583-page 14)

Chart of Accounts (Expenses)

Keep Business and Personal Transactions
Separate From Personal



WHY



Manage your business

(IRS Publication 583 – Page 11)

Financial Reporting

CASH FLOW STATEMENT

INCOME STATEMENT

BALANCE SHEET

AUDITS

ACCOUNTING METHODS

TOOLS



Expenses - Personal vs Business

- Expenses (Pub 583 – page 9)



Spring Flowers

Financial Statements

CASH FLOW	INCOME	BALANCE
CASH IN	REVENUE	ASSETS
CASH OUT	EXPENSES	
		LIABILITIES +
		OWNER'S Equity
CASH FLOW	PROFIT	+ Retained Earnings

COUNTING STUFF

CASH

Inventory

Prices/Pricing

Customers

Operating Trends

Marketing Results

Product/Service Trends

Payroll

Staff



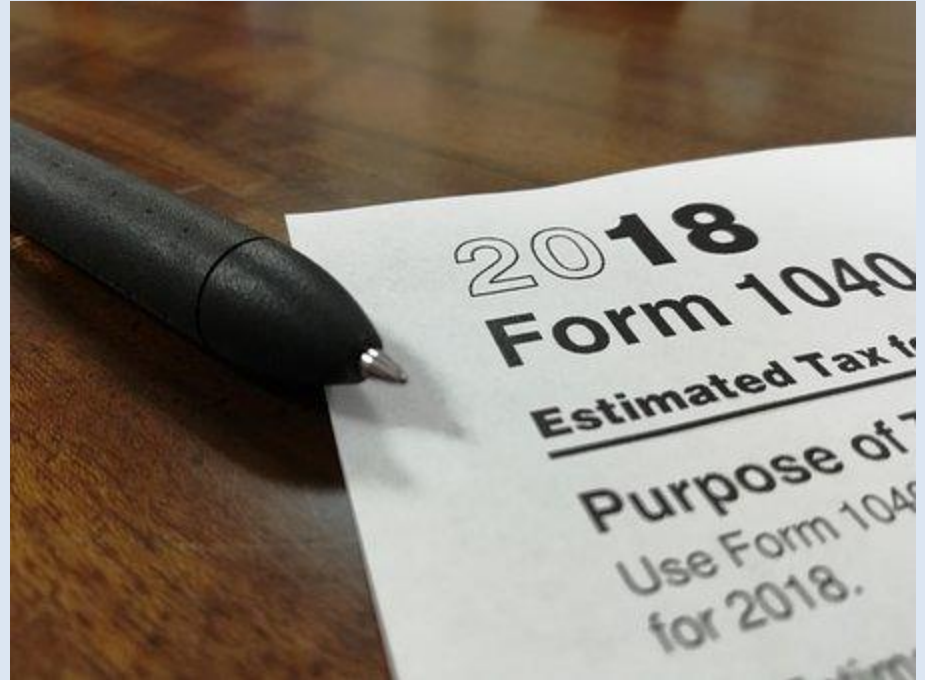
FINANCIAL PLANNING

- Forecast
- Projections
- Budgeting
- Staffing
- Cash Flow
- Working Capital
- Debt



Tax Planning

- Sales \$
- Expenses
- Expenses
- Expenses
- Expenses
- Profit \$



Questions?

Thank You

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