

Three Ways to Immediately Reduce Your Bookkeeping Fees

1. **Separate your business and personal lives.** Specifically, keep the expenses separated. In other words, use one bank account and credit card for your personal life (e.g., food, shelter, family living expenses, etc.); and a second bank account along with a different credit card for all your business expenses and revenue.

For example: Your salary ought to be drawn from the company and deposited into your personal account. This is a payroll transaction for your business. Keeping the two – business and personal – totally separate saves any bookkeeper several hours trying to decipher whether an expense is actually business related or whether it's personal.

Saving your bookkeeper time means you pay lower fees. This separation also simplifies work for your accountant and what everyone might experience if you or your business is ever audited.

2. **Pre-sort your receipts each month.** You'll enjoy a substantial reduction in the bookkeeping fees you pay if you – or someone on your staff – take a few minutes each day to keep everything sorted: Match receipts with how they were paid.

What do I mean by that? If you paid an expense from the business bank account in January, then attach that receipt to the January bank statement. This includes debit slips, printouts of bill payments, transfers online and deposit slips. Do the same with your business credit card receipts. I also strongly recommend you keep all "payables" together for quicker entry.

3. **Find a system that works for you.** Perhaps use separate folders (one for the bank statement, one for the credit card, one for payables, one for petty cash, etc.), and drop the receipt in as soon as you get it. Then add the bank statement to the folder, for example, when it arrives in the mail. Giving your bookkeeper organized records not only saves them a chunk of time, but it also reduces the chance of expenses being lost or entered into the wrong account. And it all adds up to lower fees for you.

Excellence In Bookkeeping - For Excellence In Business

