



SUM BOOKKEEPING & OFFICE SERVICES

Your *Virtual Mobile Office*

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Dear Business Owner,

Here is my complimentary tip sheet, "*3 Ways to Immediately Reduce Your Bookkeeping Fees*," that covers many of the topics we discussed about bookkeeping:

1. **Separate your business and personal lives**

Specifically, keep the expenses separated. 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 revenues.

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.

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.**

3. **How you use the comment line on your cheques can save you money**

Basically, use the comment line to tell your bookkeeper why you're making this payment. And include clarifying data on both the "comment line" of the cheque and on the "cheque stub" (e.g., corresponding invoice number).

Over time, a few seconds of your time to jot a note on your cheques can **save your bookkeeper many hours**. You're creating a simple paper trail that does a great job of helping to keep your records accurate. You're reducing the chance for misunderstandings of your records. And it also means your chart of accounts and the financial statements prepared for your accountant are probably more reliable.

As a business owner you know how important the "bottom line" is to your livelihood. Keeping your business and personal finances separate, sending your bookkeeper organized receipts, and providing records that are cross referenced are three straight-forward actions that can help your bottom line.

How? The less time a bookkeeper spends on your books . . . the less you pay in fees. Plus these few steps also help insure your financial statements are the best they can be.

And this means you'll have more confidence when you turn your books over to your tax preparer at year end. The right bookkeeper saves you and your tax preparer a lot of time, expense and headaches.

Another way to have confidence in your bookkeeper is to choose a ***Certified Professional Bookkeeper*** (CPB). A CPB credential gives you independent proof of our skills. As a CPB, I must pass a standardized national exam; adhere to a code of ethics; and take a minimum of 20 continuing education hours annually. The CPB credential helps ensure your financial data is accurate the first time . . . every time.

Please contact me by email should you have any questions related to the administrative and bookkeeping side of your business.

Sincerely,

Lucie Hansom
Certified Professional Bookkeeper
Certified Tax Services Specialist DFA

