

Book Review: Organize Your Books In Six Steps

By Ramona Creel

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I know -- BOOKKEEPING is about the most odious and loathsome activity that small business-owners face! But managing your company's finances doesn't have to be such a stress -- if you have the right tools and systems in place. And I'm not talking about the kind of work you do for your clients -- setting up a schedule for paying bills and keeping all of the receipts in one place. I'm talking about the actual ACCOUNTING activities that have to take place -- figuring out your income and expenses, projecting future profits, and dealing with vendor accounts.

Fortunately, you now have access to every conceivable financial report -- without investing in a computerized accounting program -- right at your fingertips. Donna Murphy's "Organize Your Books In 6 Easy Steps" will lead you through every aspect of FINANCIAL MANAGEMENT -- from setting up a list of expenses to running a P&L report to keeping the IRS off your back.

RECORDKEEPING NEEDS

The first concern -- whether you are a start-up or have been in business for a while -- is that you are keeping adequate financial RECORDS. If you are audited, the IRS is going to want to see a paper trail that itemizes your income and expenses throughout the life of your business. You may certainly keep your books on the COMPUTER -- programs like Quickbooks and Peachtree Accounting make setting up balance sheets and running reports much easier and less time-consuming than manual accounting. But if you prefer to stay low-tech, Ms. Schwartz has created a series of standardized FORMS to meet your every bookkeeping need. She will teach you how to:

- set up a TAX CALENDAR
- decide on an ACCOUNTING METHOD ("cash" / "accrual" / "hybrid")
- create income / expense, accounts receivable / accounts payable RECORDS
- track your petty cash expenditures
- set up client and vendor DATABASES
- properly record your travel, dining, and entertainment expenses
- set up a BALANCE SHEET and determine your net worth

If any of these terms sound confusing or foreign, don't worry. Ms. Murphy will explain them all to you and teach you how to assess the FINANCIAL HEALTH of your business using these tools.

REPORT GENERATION

Of course, it's great to collect a lot of information about your business finances -- but it's even better if you can transform that information into something useful, like a REPORT. As Ms. Murphy points out, financial reports allow you to determine if your businesses is really making money (that's moderately important!), find out where you are spending more than you should be, and project how your business will GROW in the future. She leads you through the preparation of income / expense summaries, balance sheets, and profit / loss statements. She also helps you set up a RECORDKEEPING SCHEDULE -- to make sure that your books always stay current.

DEALING WITH THE IRS

While it's important that you know how your business is doing, the IRS takes an even greater interest in your company's solvency. There are so many rules and regulations about keeping your books according to IRS standards, you can get into a lot of trouble if you don't have the facts. So Ms. Murphy provides copies of the most important IRS forms for small business owners:

- profit and loss statements
- self-employment and estimated TAX PAYMENTS
- business expenses and deductions / depreciation

She also offers some common QUESTIONS and ANSWERS about basic financial issues -- such as opening credit accounts, choosing accounting software, and how long you need to keep financial records. All in all, this is one of the most comprehensive and easy-to-follow bookkeeping guides for small business you will ever find. Check out a copy today!

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Ramona Creel is a Professional Organizer and the founder of OnlineOrganizing.com -- a web-based one-stop shop offering everything that you need to get organized at home or at work. At OnlineOrganizing.com, you may get a referral to an organizer near you, shop for the latest organizing products, get tons of free tips, and even learn how to become a professional organizer or build your existing organizing business. And if you would like to read more articles about organizing your life or building your business, get a free subscription to the "Get Organized" and "Organized For A Living" newsletters. Please visit <http://www.onlineorganizing.com> or contact Ramona directly at <mailto:ramona@onlineorganizing.com> for more information.

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