

**Ten Steps To Bookkeeping Success:
The Bare Figures Bookkeeping
Guide And Checklist**



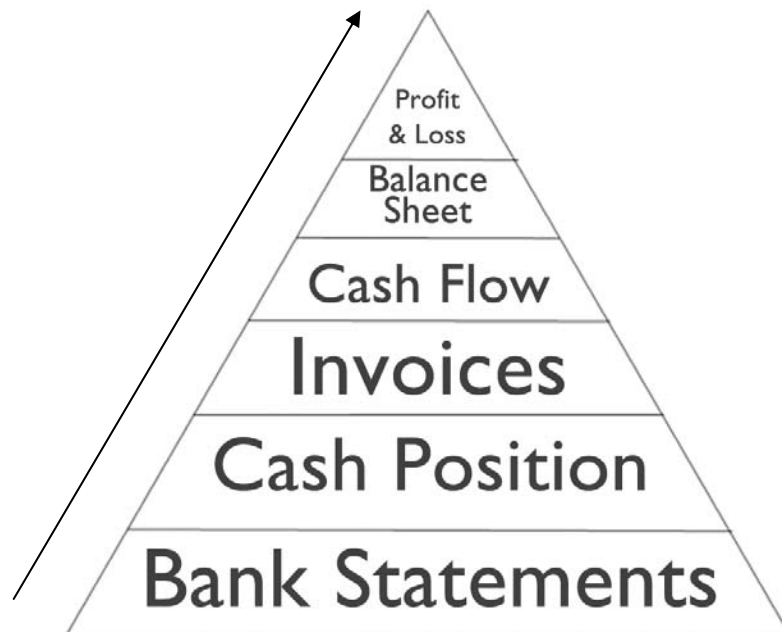
By Tim Fairweather

Bare Figures Bookkeeping Guide And Checklist

Use this checklist and guide to complete your bookkeeping each period.

Think of your bookkeeping like a pyramid:

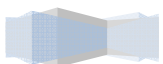
Information at the bottom should flow up through the pyramid and agree to what's at the top. There are ten steps to complete the pyramid.



Step One: Get all your information together – um, what info?

Information on how much cash you should have received in the past period, and how much you have spent in the past period. Get more information rather than less. This will form the basic idea to drive your bookkeeping work. What

idea? - you're trying to find out where the money is.



Description	Done
1. Bank statements for the whole period (Excel format or hard copy)	
a. Business account	<input type="radio"/>
b. Business credit card	<input type="radio"/>
c. Employee credit cards (and get their receipts while you're asking)	<input type="radio"/>
2. Statements	
a. Phones, mobiles and internet	<input type="radio"/>
b. Rent, rates and utilities	<input type="radio"/>
c. Repairs and maintenance	<input type="radio"/>
d. IT	<input type="radio"/>
e. Memberships	<input type="radio"/>
3. Correspondence	
a. Employees and timesheets	<input type="radio"/>
b. Contractors	<input type="radio"/>
c. Biggest customers	<input type="radio"/>
d. Biggest suppliers	<input type="radio"/>
e. Australian Tax Office (ATO)	<input type="radio"/>
4. Invoices	
a. Sales – new, adjustments, refunds and discounts given	<input type="radio"/>
b. Purchases – new, adjustments and discounts received	<input type="radio"/>
c. Cheques – books and butts	<input type="radio"/>
5. Tax related (don't know what these mean? Call us now.)	
a. BAS and IAS statements	<input type="radio"/>
b. GST calculations	<input type="radio"/>
c. FBT calculations	<input type="radio"/>
6. New paperwork	
a. Loan updates	<input type="radio"/>
b. Lease agreements	<input type="radio"/>
c. Hire-purchase agreements	<input type="radio"/>
d. Consignment stock agreements	<input type="radio"/>
e. Superannuation calculation	<input type="radio"/>
f. Payroll tax calculations	<input type="radio"/>
g. FBT calculations	<input type="radio"/>



Step Two: Bank Statements – Cash \$\$\$ In

- Get all your bank statements together
- Enter all money-in transactions first – these will link to your sales made or deposits / credits received. Everything is linked to another piece of paperwork. We call this an audit trail – it's a way of backing everything up – hence the pyramid idea. Paperwork above is supported by paperwork below.
- Any amounts you can't link to an invoice or credit – whether on email or otherwise, write a note to come back to (Hint: Think of getting a bookkeeper if this is most of them! Tracking invoices is crucial to paying less tax and not annoying your customers)



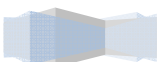
Step Three: Bank Statements – Cash \$\$\$ Out

- Enter all money-out transactions next – these should be linked to purchases (inventory or overhead) or refunds given.
- Any amounts you can't link to an invoice or debit – whether on email or otherwise, write a note to come back to (Hint: Again, think of [getting a bookkeeper](#) if this is most of them! Unidentified money bleeding from your business is not what you need.)



Step Four: Cash \$\$\$ Position

- Right now you should be looking at everything you received (good), and everything you spent (less good). If what you received is greater than what you spent – congratulations – you're well on your way to running a successful business, on paper.
1. If your cash position is negative, in other words you spent more than you received, this will be a valuable exercise in seeing the [Bare Figures](#) for your business.





Step Five: Invoices – Future Cash \$\$\$ In

- Having seen your cash position, now is the time to check what stuff you've ordered or sold, but haven't invoiced or been invoiced yet (Not in bank statement). You might miss cash coming in soon.
- Get a list of all your sales invoices for the period (the ones you send to customers)
- Now enter all of these into Excel or your accounting program which you are using to keep track of them. No program yet? Not sure? [Please call us for some free advice.](#)
- Extra: Go through your emails for the past period just in case you WERE going to invoice someone but have forgotten.



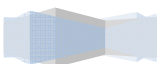
Step Six: Invoices – Future Cash \$\$\$ Out

- While you're still looking through emails and correspondence, look for inventory, goods or services which you have ordered, signed-up for or have otherwise said "Yes – me please!" but haven't received an invoice yet. You might cash going out soon.



Step Seven: Cash flow – What Is A Cash Flow?

- A cash flow is what you do when you know how much \$\$\$ you have, and how it will change. You know how your cash will FLOW from now until sometime in the future. Don't get confused with fancy terms, they are crucial to growing and [managing your business.](#)
- Preparing a cashflow involves looking at when you think you will RECEIVE cash from your sales, and how much. Then subtract when you



think you will have to pay for your purchases / expenses and how much. This will show you how your cash will change.

- The real benefit of preparing one is knowing when you're likely to run out of cash and negotiating with the people involved. Either; ring that supplier NOW to see whether you can pay in small amounts; or, ring that customer NOW to see what they can pay and when they can pay it.



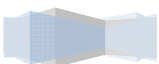
Step Eight: Balance Sheet – I Thought These Were Important?

- Balance sheets are very important, but only if your cashflow is longer than a month. A business that has cash-flow problems has no need preparing balance sheets! I'm not being facetious here.
- A balance sheet shows you what your business looks like on paper. The hard work, the tears, the lost employees and sales. These are the sometimes, disappointing numbers that represent the business. Look at them like you were buying your business.
- After you have processed all your transactions into your accounting program it will show you your new balance sheet. To get some help reading these, why not [email us](mailto:info@barefigures.com.au).



Step Nine: Profit & Loss – Important Too?

- Profit & Loss reports are a great way to monitor the performance of your business as a whole or in pieces. If you're working by yourself, they're only useful if you're going to look at your Bare Figures critically – in other words, did you set a goal to achieve a certain profit level or not. Looking at numbers is boring. Looking at numbers to find something, or assess performance is crucial to growing your business.
- That's why we call them Bare Figures:
 - They have no excuses, they are only numbers
 - They show you the naked truth of your businesses performance





Step ten: Review What You Did Last Time – If Anything?

- Please do yourself a favour – if you're still keen on doing your own bookkeeping, at least look at where your business WAS, and where it is NOW. This will be the best time to understand how much of your hard work has paid off.
- At Bare Figures Bookkeeping, we make sure to let you know what your Bare Figures are. We always review what you've done since we last saw you. Whether that was one week, or one month ago. How could we simplify your business? [Call us now](http://www.barefigures.com.au) and let one of our Sydney bookkeepers tell you all about us.



Who are Bare Figures?

Bare Figures Bookkeeping is a leading provider of bookkeepers and bookkeeping services to the Sydney Metro, Inner West and Sydney CBD areas in New South Wales, Australia. Bare Figures purpose is to give anyone the confidence to start, manage and grow their business by making their numbers useful.

Bare Figures Bookkeeping is based in Circular Quay, Sydney and services many satisfied bookkeeping clients in the Sydney Inner West, Eastern Suburbs and Sydney CBD area. Bare Figures Bookkeeping is a premium provider of BAS preparation, PAYG, MYOB and QuickBooks services.

Disclaimer: This information is given as a guide only and may only be applicable after speaking with one of our qualified staff. All information presented here is for informative purposes only. Consult your accountant or registered tax agent before making any financial decisions. For more details call Bare Figures Bookkeeping or visit our website at www.barefigures.com.au

