

Kashoo's Comprehensive Guide to a Pain-Free Tax Season



5 Tips To a Painless Tax Season

Record Expenses the Moment You Incur Them

There's nothing worse than dealing with a mountain of expense receipts. Instead, make a habit of snapping a photo of every expense receipt the moment you get it, with your smartphone.

Bonus Tip: Take screenshots of receipts for online purchases.

Invoice as Soon as Appropriate

If you invoice your clients, do so as soon as appropriately possible. Also remember to follow up on your accounts receivable because no matter how great your client relationship are, people hate parting from their money.

Keep a Reserves Account

In business, \$#!T happens. That's why it's important to have a reserve account. And while you're at it, get to know your banker—personally. You never know

when you'll need a cash infusion and it's easier to ask for funds from someone who already knows your business versus dialing for dollars.

Treat Each Month End as a Mini-Year End

A year's worth of bank transactions to be reconciled is daunting. Twelve bite-sized pieces is much more manageable. Do your bank rec at the end of every month and you'll have way less stress come year end.

Use Some Accounting Software

Keeping your books by pen and paper is counterproductive and spreadsheets leave room for error. But accounting software—especially cloud-based accounting software—puts you in control, from anywhere, anytime, on any device.

Questions for your accountant or tax pro.

1. What can I do to make sure I pay LESS TAX next year?
2. Can I minimize the profits I made on my investments so I pay less tax?
3. Should I be planning to borrow money to help fund my business?
4. How can I make sure the interest I pay on my mortgage works in my favour?
5. Can I split my pension income so that I pay less tax?



Small Business Tax Season Prep Checklists

Daily

- ☐ Check your cash flow.
- ☐ Be aware of incoming and outgoing payments.
- ☐ Record Expenses and Income as they come in.

Weekly

- ☐ Record customer billings
- ☐ Record customer payments
- ☐ Record vendor payments
- ☐ File vendor bills & payment records.
- ☐ Update payroll file.
- ☐ Make vendor payments.
- ☐ Prepare & send invoices.
- ☐ Review forecasted cash flow.

Month End

- ☐ Pay all outstanding bills and review any overdue invoices. Send notices to clients who are behind.
- ☐ Run P&L Statement and Aging reports for the month. Compare revenue and expenses totals to month goals.
- ☐ Close out payroll (if applicable). Double check and make sure you have all W-9s on file for contractors hired during the previous month.
- ☐ Make sure all your income and expenses are recorded and then complete your bank reconciliation for the month.

Quarter End

- ☐ Run P&L Statement and Aging reports for the quarter and compare to the yearly goals. File any required quarterly taxes and payments (i.e., sales and other taxes applicable to your area)
- ☐ Using Your financials, create a brief business plan for the next three months. Be sure to review which services are performing well versus those that are costing a lot of time and energy to produce.

Year End

- ☐ Run P&L and Aging Reports for the year. Compare your revenue and expenses to your yearly goals and budgets.
- ☐ Pay all outstanding bills and follow up with late payments from clients.
- ☐ Issue 1099s to all contractors. (Make sure you have completed W-9s for all contractors on file!)
- ☐ Using this information, determine which service offerings you should continue to have versus those that need to be tweaked or removed.



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