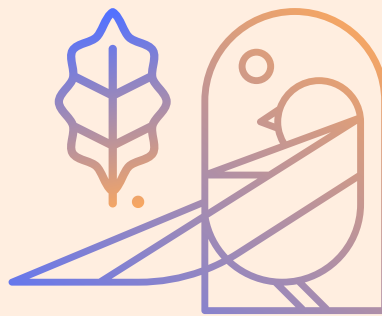


UNLOCKING YOUR NEW SUPER POWER

The financial practices
for your business that help
you be better at what you do



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Money is a huge part of your business.

It's a source of pride and possibility.
Too often though it's, a source of worry and struggle.

You probably didn't start your business to think about how to manage your money. It's possible the whole topic scares you. A lot. Or maybe it just feels like a waste of your time. Or both.

HERE'S THE PUNCHLINE:

Growing your money savvy
& getting your business finances on point
unlocks a super power that helps you
be even better at what you do.



Let's start with the (not-so) bad news.

If you run an organization, you need to think about money, regularly.

Ignoring it, or totally outsourcing to others, is not going to get you where you want to be. In fact, these strategies are pathways to MORE worry and frustration.....or maybe worse!

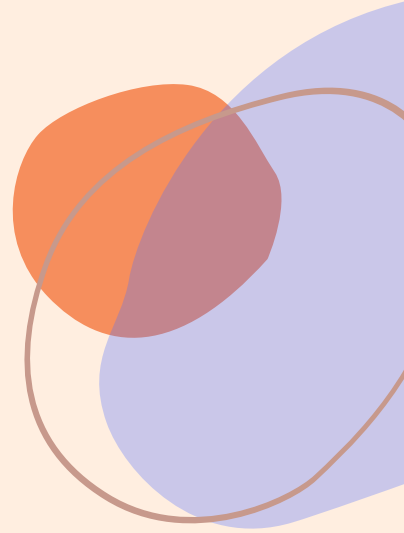


Good news #1

Understanding the money end of your business can be one of your super powers.

As you gain money savvy and take time to understand how the decisions you make affect your finances, you can make smarter and smarter decisions that benefit you, your clients, AND your bottom line.

Over time, your discomfort in managing money can be replaced with confidence, peace of mind, and pride in yourself.



Good news #2

You can learn this stuff and do it - well.

There are well-known practices that you can and should take on - from day one - that will help you develop this super power. In doing so, they may also provide you with a bunch of other benefits:

Less stress, especially during tax season

Peace of mind when your money is managed with clarity & consistency

Your finances are less vulnerable to fraud

Small problems are far less likely to become big ones

PRIDE & CONFIDENCE IN YOUR BUSINESS, YOUR FINANCES, AND YOURSELF AS A PROFESSIONAL.



Good news #3

You don't need to do this alone.

The beginning of any learning journey is not so easy, and it does take work (especially if you've been putting it off).

Having a patient and kind guide with you along the way can be a huge resource on your journey, in addition to handling the day-to-day so you don't need to.

Qualified professionals are available to help you figure out what needs to be done, and to help you get it done. Not all professionals are alike, and you'll want to take the time to find someone who is excited to be your coach, teammate, and cheerleader on your journey.



Our promise

We promise you, if you follow these practices, there will come a time where you look back at your books with far more confidence and competence than you ever thought possible. Also, your business will likely work better - in some ways that you notice, and some that you won't (because the problems never happened in the first place)!

Your future self will thank you for being so thoughtful and smart.

You can have them take you out or treat you to a massage.





Foundations

LET'S GET STARTED!

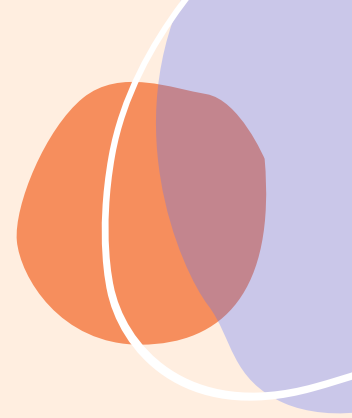
These are the principles and activities that form the basis of a successful venture.

Do these before you set up your business or when you're getting your house in order.



01

DRAW A HARD LINE BETWEEN PERSONAL & BUSINESS FINANCES



This is the solid foundation upon which your financial house will be built.

For new businesses, this means **opening business accounts** (for your bank and any other payment apps like PayPal). From now on, any expense or income that is business-related (like insurance costs, business travel, and tax withholdings) is managed through the business accounts.

For established businesses, create business accounts if you've been mixing personal & business. Additionally, you will likely need to do some clean up, **separating past transactions into personal and business** (in whatever system you use to track them), at least through the last time you paid taxes.

02

EXISTING BUSINESSES: ESTABLISH A BASELINE

Another foundational activity for established businesses: one of the first things you'll need to do is use your tax return and existing accounts (bank accounts, loans, etc) to **record your opening balances** for the current year.

This will give you a more accurate picture of your finances, because you are starting your record keeping from the right place.

SEPARATE ROLES AND CONTROL WHO CAN SPEND YOUR MONEY

Keeping your money safe is a whole lot easier when one person can only do so much.

Regardless of your business size, **whoever makes decisions about money must be different from the person who records the transactions.**

If you work solo, it may be tempting to have a bookkeeping professional handle your transactions by writing checks or making deposits, or to have a contractor make purchasing decisions for you. Unfortunately, this can put your finances at risk (even if you are working with people you trust).

For many small businesses, **you should be the only person who has capacity to spend money, approve new vendors, or bring on employees.** No contractor should EVER be able to spend your money without your approval.

04 If you absolutely want someone else to cut checks or make deposits, find a system (like Bill.com) that ensures that the person who does this is incapable of completing the transaction without your authorization.

SOLO ENTREPRENEURS & SMALL BUSINESSES:

**NO ONE ELSE SHOULD BE ABLE TO SPEND
YOUR MONEY WITHOUT YOUR APPROVAL.**

04

CONTROL WHO CAN ACCESS ACCOUNTS & INFORMATION

Everyone who has access to your accounting system should have a specific role and reason for being there.

If you use accounting software (see below), spend time creating **different levels of access and control**, where only specific people can edit or add transactions.

You should also check with your bank and other companies you have accounts with to see if they have accountant-only access. In this way, your accountant/bookkeeper will only have read-only access to your account information.

Make sure to check who has access to your accounts (including finance-related apps) somewhat regularly. People come and go, and you want to make sure that no one has access who shouldn't.

05

HAVE AN EYE TOWARDS TAXES

You don't need to be a tax pro. But it is worth it to **have regular conversations with a tax pro you trust** so you understand the tax implications of the your business decisions and know what's coming at tax time.

Every tax-aware decision you incorporate into your business processes can be time and money saved when tax time rolls around.

PROTECT YOURSELF

Unfortunately, physical and digital security is a real issue that every business owner must address. Business owners who don't understand these issues put their money, data, and their client's information at risk and open themselves up to potential claims. This is important for companies of all sizes, and becomes vital as you grow and take on people.

Get wise on potential vulnerabilities as you conduct your transactions, especially digitally. Take some time to **learn about digital security and invest in cybersecurity protections** for your email, website, e-commerce platform, accounts, machines and more. Follow this rule: make sure anything doing with your money is as safe as possible. Ask around if you don't understand.

Yet, even with all the best process safeguards, nothing is certain. Take the time to **identify what types of insurance you need** to protect your finances against possible accidents or bad actors. In particular, cybersecurity insurance can be a huge protection against cyber crimes or other shenanigans from in or outside your organization.

04

BASIC DIGITAL SECURITY CAN INCLUDE:

**STRONG PASSWORDS AND TWO-FACTOR
AUTHENTICATION**

MALWARE PROTECTION

USE OF SECURE FILE TRANSFER



**CLEAR POLICIES AND TRAINING FOR ALL
EMPLOYEES/CONTRACTORS**



Getting in the Game

THE DAY-TO-DAY BASICS OF FINANCES IN YOUR BUSINESS.

When these processes become part of how you do business, that's when you start seeing real benefits to your business and feeling better about your money.



01

BE INVOLVED IN YOUR FINANCES

It might be tempting to focus on your work and outsource all of your financial management, but this can be a recipe for trouble. For you to be assured that your finances are safe and accurate, you must keep your finger on the pulse of the finances.

What does that look like? At minimum:

- **Monitor the cash going in and out of your business.** Look at your accounts frequently to stay on top of cash flow.
- **Be present for presentations of financial statements** with whoever tracks your books
- **Ask a lot of questions** about your money from those who handle it, and make it clear how you want your finances handled.

It may feel awkward at first, but this is just a sign that you are unlocking your new powers. Within a year, you will be so glad you made this choice. You will be more confident in your knowledge of finances and better able to understand the financial impact of your decisions.

02

Business expenses come from business accounts.

Personal expenses come from personal accounts.

This bears repeating. Sticking to this rule day to day just simplifies everything and saves time (and money).

03

RECORD EVERY TRANSACTION (WHEN IT HAPPENS)

If you want accurate financial data available to you, record every transaction. Promptly. With good notes.

Accurate data means accurate and easier taxes. Smarter management decisions. Confidence that you have the cash you need. And avoiding a whole lot of possible headaches and guesswork down the line.

Set up a recording system (your "books") that works for you or find a qualified bookkeeping professional to help.

04

BACK EVERYTHING UP WITH A "PIECE OF PAPER"

At some point you will want (or need) to know some detail about a transaction you recorded months or years ago, and the information you need is....where again? So you want to back up every transaction with documentation so that doesn't happen.

Good news: These days, there are many apps to make it easy to record a receipt in the moment and link it to your transactions. Some even automate creating receipts for you! A professional can help you find the right solution to streamline your documentation process so you can be thorough while staying focused on your clients.

**ACCOUNTING SOFTWARE
(E.G., QUICKBOOKS) IS THE BASE OF YOUR
FINANCIAL MANAGEMENT INFRASTRUCTURE.**

**IT HELPS YOU TRACK FINANCES TO ACCEPTED
ACCOUNTING STANDARDS & MAKES PREPARING
FINANCIAL REPORTS MUCH SIMPLER.**

04

DOUBLE CHECK AND RECONCILE

As with all things, mistakes happen when recording transactions. And a good time to find out about the inevitable errors that arise in bookkeeping is the same week or month of the transaction. A bad time is when taxes are due. A very bad time is when you are being audited.

Take the time to have you or a bookkeeping professional **create regular trial balances and reconcile transactions** with your bank, credit card, and other accounts at least monthly.

The result? Peace of mind from knowing your books are on point.

05

COUNT YOUR STUFF

Just like reconciling your books, you want to make sure that you know where your stuff is and how much you have. This is particularly vital for organizations that keep and track inventory.

Count (and double count) your inventory regularly. This will help you have accurate books, act as an important check to your sales recording process, and a key support for sales management purposes.

Luckily, one count every month (or so) can fulfill all of these purposes.

RECONCILING

MATCHING YOUR BANK OR CREDIT CARD STATEMENTS TO YOUR BOOKS.





Leveling Up

YOUR BUSINESS IS ROCKING.

You have good clients,
great employees, and
your basic systems in
place. But you are about
to grow, or experiencing
growth pains and seeing
how things can work
better.

Time to take your
systems to the next
level.



01

STREAMLINE YOUR SYSTEMS

Just like a child outgrows its clothes, your business will likely outgrow the systems you first set up. Either you'll take on new services, or you'll know your systems well enough to know where you get stopped up. **Be proactive in identifying opportunities to streamline how you manage your finances, in a way that works for you.**

Start by simplifying before even considering a new tech or other solution. Keep it lean. As you consider new possibilities, don't fall for a sales pitch: ask your colleagues what works for them, and do the research before committing any time and money based on promises. No solution is perfect, and only time will tell what work for you.

KEYS TO STREAMLINING

*Think lean & remove what you don't need.
Integrate & automate what you can.
Outsource what you don't want to do yourself.*

02

SYSTEMSATIZE YOUR PROCESSES

Create regular checks into your the state of your finances.

Once you are this size, you will almost definitely not be responsible for all of this, so you'll make sure this is all getting done.

- Daily: Check your balances for cash flow purposes
- Weekly: All transactions processed, recorded, backed up and double check for the week.
- Monthly: Reconcile everything. Review monthly reports for accuracy, compare to past and any budgets.
- Quarterly: Deeper review of finances. Make decisions. Pay taxes.

03

CREATE STANDARD REPORTS... AND USE THEM!

Reports are vital tools for understanding what's happening so you can make good decisions.

Your basic monthly reports are the Balance Sheet, Income Statement, and Statement of Cash Flows. Learn them and use them. Depending on your needs, you may also want to see more specialized or customized reports that will provide answers to specific business questions you have.

Once you land on what kind of reports you want, stick with them.

This allows you to compare reports across time, which is vital finding problems and making sound management decisions.

04

CREATE LEVELS OF AUTHORITY IN SPENDING

One you get to a certain size, you can't do everything yourself.

When you find yourself overwhelmed with approving every transaction you can create levels of authority and approval processes for different levels of spending.

Decide who can spend how much and who has to approve each level of spending.



05

CREATE POLICIES AND PROCEDURES FOR YOUR FINANCES

When you get to a certain size you'll need to make sure you have written financial policies and procedures. Everything in this guide, as well as other important elements of your financial business procedures (like how cash is handled, security of client's information, etc.) can be included.

While it's a relatively rare person who loves writing procedures, the benefits are too big to ignore:

- Clear role expectations for anyone involved with your business' finances
- Create consistency across people and time
- Ensure you are meeting legal requirements
- Serve as an onboarding/training tool
- Streamline your business' growth and avoid pitfalls

06

KNOW & TRAIN YOUR PEOPLE

If you are bringing on anyone who will be responsible for your finances in any way, consider the following:

- Background checks and credit checks prior to hiring/contracting
- Ensuring that everyone you are working with has a clear, signed agreement as to their role and responsibilities
- Providing thorough training in your financial policies and procedures
- Staying in regular communication with everyone involved in handling finances


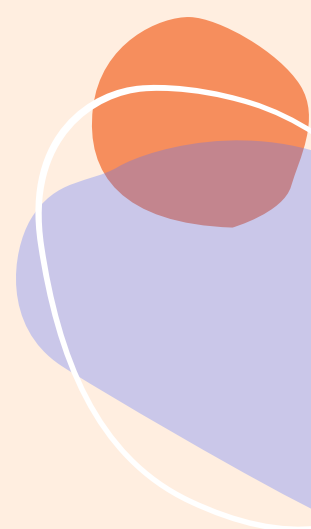


Start Your Journey Now!

**ALL OF THE PRACTICES HERE
ARE ACHIEVABLE AND WILL
BENEFIT YOUR BUSINESS, YOUR
CLIENTS, AND YOU.**

Find what approaches work for
you. Go at your speed, but stay
on the path.

And remember, there are
good people who can help you
on this journey, so find
allies you can trust.



Good luck!