
7 Reasons for initiating solid bookkeeping principles

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Luke 14:28

“If you wanted to build a building, you would first sit down and decide how much it would cost. You must see if you have enough money to finish the job.”

Bookkeeping is key in keeping ***accurate financial records.***

Studies show that businesses that promote ***proper accounting/bookkeeping*** have ***greater success rates*** and ***sustainability.***


Following are **7** reasons why sound **bookkeeping** is so important.





*1. Bookkeeping helps you **Budget** your cash flow*

- *The reason budgets are important is they help provide **strategic direction** for growing businesses.*
- *Bookkeeping helps you assess **potential financial resources** and **manage income and expenses**.*



*2. Bookkeeping helps with effective **Tax Preparation***

- *Bookkeeping makes filing tax returns efficient for your business.*
- *With a **proper organization of records** of earnings, providing less worries about scrambling for receipts and invoices because all records are **properly documented** and recorded for tax purposes.*



3. Bookkeeping brings about needed Organization

- *Good organization of financial records is very important. Often it is needed to easily assess financial information in **real time**. Your updated bookkeeping activity will help when it comes to **applying for grants, loans, or even potentially attracting investors**.*
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*4. Bookkeeping helps to improve business **Decision Making***

- *Successful decisions are made through access to **updated business information**. Reconciled bookkeeping activity provides accurate information regarding your business which allows you to **make proper decisions** for growth.*

5. Bookkeeping provides an overview of a business through **Financial Statements**

- Such as; the **Balance Sheet** and the **Profit & Loss Statement**. These statements provide much of the information needed by interested parties (bankers, investors, IRS, etc.). These statements also help in evaluating the **performance of the business**.



6. Bookkeeping helps maintain good Cash Flow

- Bookkeeping is as important as any other process because it aids in balancing your cash flow. It provides information on ***invoices/billings*** (customer/vendor names), ***amounts of invoices/billings, dates issued, due dates, etc.*** The ***routine recording of revenues/expenses*** helps in keeping track of when customer and vendor transactions are to be paid.

7. Bookkeeping is paramount if faced with an **IRS Audit**

- Bookkeeping serves a sizable purpose in respect to an audit conducted by the IRS. If your books are ***in order***, the process of ***pulling requested data*** becomes easier and ***"less time" consuming***.





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and achievement.*

*We hope you have
enjoyed the presentation.*

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