# 7 Reasons for initiating solid bookkeeping principles

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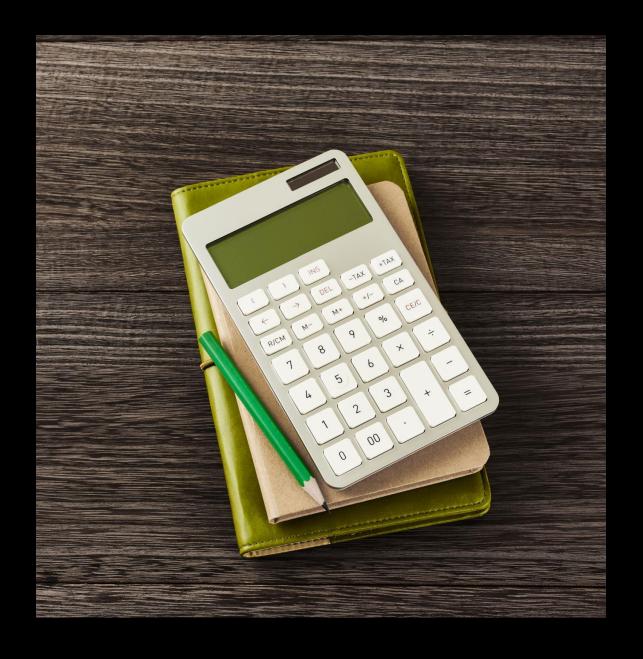
"If you wanted to build a building, you would first sit down and decide how much it would cost. You must see if you have enough money to finish the job." Bookkeeping is key in keeping accurate financial records.

Studies show that businesses that promote proper

accounting/bookkeeping have
 greater success rates
 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.



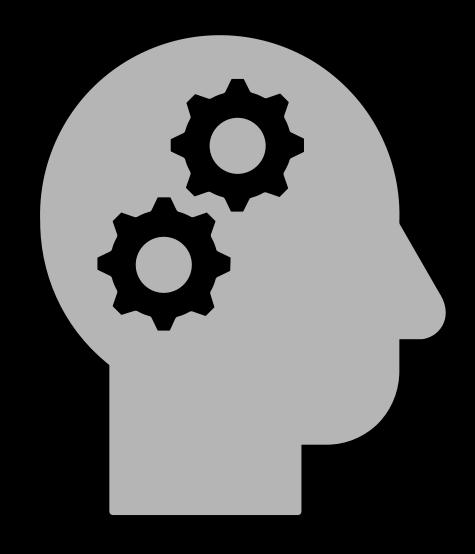
### 2. Bookkeeping helps with effective Tax Preparation

- 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.



#### 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. Signature





Each of us here at

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and achievement.

We hope you have enjoyed the presentation.

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