

Financial Operations for Small Business

Here's a quick overview of our favorite tips and tools for managing the finances of a small company.

Best Practices

Here's a few tips for maximizing your workflow:

Set Up

- Tools: Select a suite of tools that enable you to:
 - 1) make timely and informed decisions
 - 2) scale with your business
 - 3) maximize efficiency
- Chart of Accounts: Set up so that there is enough detail to use the information but not so much detail as to become repetitive or an administrative burden.
- Invoice Items: Set up so you get visibility into revenue performance and that it makes sense for the client on the invoice itself.
- Payment Receipts: Select a software program that will allow you to accept credit cards and mark invoices as paid when payment is received.

Weekly

- Make a point each week to classify all expenses and send out all invoices.
- Cut checks and pay bills once per week.
- Determine if there are any tax payments or filings due. Various federal and state payments and forms are generally due every other week and depend on your specific business requirements.

Monthly

- Reconcile all bank and credit card accounts at least once a month by comparing the book balance to the statement balance.
- Review budget to actual performance.
- Make sure you have copies of all vendor W9 forms.

Quarterly

- Update current year budget expectations and adjust forecasts if necessary.
- Determine if there are any tax payment or filings due. If you have W2 employees, make sure you file Federal and State employment tax forms.

Annually

- Prepare year-end financial statements.
- Provide copies of financial statements to your tax provider and other stakeholders such as investors or bankers.
- Prepare forecast for next 12 months.
- File Texas Franchise Tax forms.
- Prepare W2s and 1099s for employees and vendors, respectively.

What Not To Do

- Avoid accounting.
- Wait more than **one month** before classifying or reviewing data.
- Just look at your checking account balance to understand how well your business is doing. Cash and income are not the same thing.
- Assume that your tax return is adequate for reviewing business performance.

Our Favorite Tools

There are many great tools available for small business owners to enable faster, more informed decision-making. Here are a few we find especially useful:

Accounting & Financial Reporting	Xero
Sales & Cash Receipts	
• Invoicing & Project Management	Harvest (creatives), Shopify (ecommerce), Clio (attorneys)
• Payment Processing	Stripe
Purchases & Cash Disbursements	Bill.com
<i>Data entry, document management, payment authorizations, cash flow management</i>	
Inventory Management	Stitch Labs
Payroll	Gusto
Employee Expense Reports	Expensify
Financial Insights	Fathom, Plan Guru

Learn More About Us

This information was prepared by Links Advisory LLC.

Links Advisory is a business support services firm providing **outsourced financial operations**, including bookkeeping, payables management, analysis, and more.

As trained professionals, we partner with our clients and their staff to enable business owners to make **more informed financial decisions**.

Contact us today to find out if our team is a good fit for your business.

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