

## **10 COMMON BOOKKEEPING ERRORS --- ON YOUR BIKE !**

Business owners unfortunately make many mistakes in looking after their books and records. The following is our advice to overcome the most common errors we find.

### **1. DO IT NOW**

Do your bookkeeping at least weekly so that you have up to date information but more importantly you are not falling behind, letting the problem build up and then trying to attend to it when deadlines loom and chaos reigns.

### **2. DON'T KEEP BOOKS**

Manual books I mean. At the very least use spreadsheets to record your financial information. This of course can save your accountant time and you money as a result.

### **3. BANK ACCOUNT**

Always have a separate bank account for your business as an accountant is not wasting time and your money unnecessarily reviewing your personal expenditure.

### **4. PROPER ORDER**

Keep the back up documentation to your spreadsheets or accounts in proper order for example file your bank statements in date order, number your sales and purchases invoices sequentially. Discuss with your accountant on the system you should use and stick to it. This will save you considerable time later when searching for a document.

### **5. VAT**

Get VAT receipts for all expenditure incurred and keep them for at least six years. In the event of a Revenue Audit you will be delighted you did this.

### **6. ISOLATION**

When undertaking bookkeeping, work in isolation away from the madding crowd and avoid any distractions for example telephone calls. If you are being interrupted you will definitely make mistakes which could be costly.

### **7. BANK RECORDS**

When making payments make sure you have all the information you require on your cheque stubs or bank statements if you use electronic transfer. Blank cheque stubs are notoriously difficult to analyse!

### **8. PAYMENT DATES**

Make sure you are fully aware of all the tax payments dates relevant to you as missing them can result in heavy fines and penalties.

**9. TAX LIABILITES**

Consider opening a deposit account and putting money aside for future tax liabilities. This is good discipline and makes paying your tax liability at the due date far easier for you.

**10. BUSINESS EXPENSES**

Make sure you claim for all expenses that you are entitled to claim. You can claim for any expenses incurred that are wholly and exclusively for the business. This can include some of your domestic bills including lighting, telephone and rent. You can even claim for using your bike for business purposes at 8 cent per kilometre.