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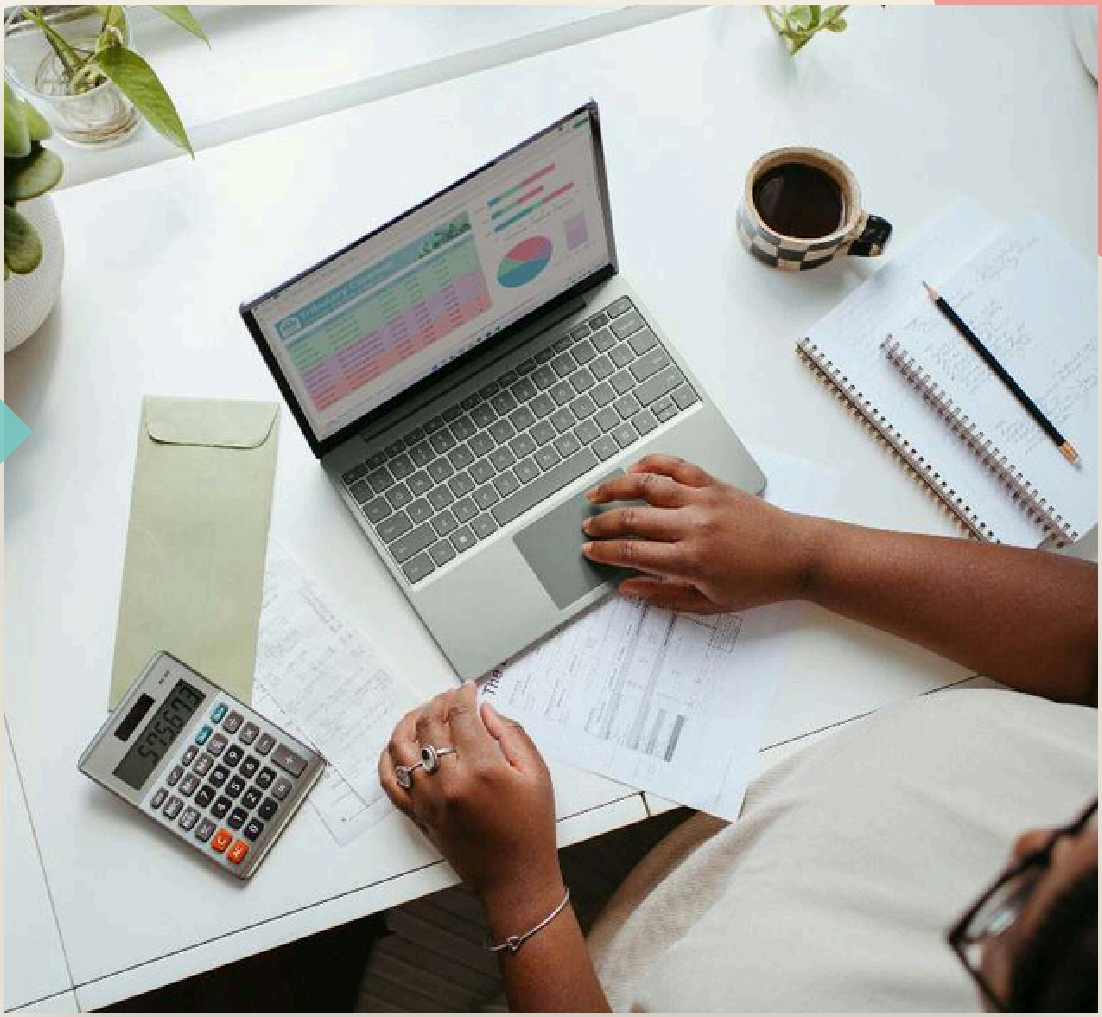

Bookkeeping for Beginners

Jumpstart your bookkeeping journey with a guide of weekly, monthly, quarterly, and annual procedures.

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Bookkeeping stands as the backbone of every thriving enterprise. After all, how can you find the right growth strategies, manage cash flow, or increase profitability if you aren't tracking your financial performance?

Unless you have a formal education or background in bookkeeping, tackling the task yourself can seem daunting. This doesn't have to be your reality! In fact, bookkeeping is a repetitive process.

Once you get the basics down, you might be able to handle the function yourself with a professional overseeing your books on a high level.

In this eBook, we'll outline the basics of bookkeeping for beginners, including how bookkeeping differs from accounting and the tasks you should complete each week, month, quarter, and year.

What is Bookkeeping?

Bookkeeping is the process of recording and managing financial transactions. Bookkeepers take on many roles — recording transactions, storing financial documents, overseeing incoming and outgoing payments, balancing ledgers, managing payroll, creating budgets, and drafting internal reports.

How Bookkeeping Differs from Accounting

Bookkeeping is not the same as accounting. Bookkeeping generally focuses on maintaining the general ledger, while accountants look at the bigger picture by adjusting and analyzing the financial statements. Accountants work off the reports prepared by bookkeepers.

Bookkeeping Frequency

The frequency you complete bookkeeping tasks depends on the nature of your business. If you only have ten transactions a month, weekly procedures might not make sense — monthly management may be sufficient.

Similarly, some businesses process payroll weekly, while others opt for monthly. Understanding the details of your business helps you gauge the right frequency. Here's a rough outline to get you started:

Weekly Bookkeeping Procedures

Categorize Transactions

On a weekly basis, categorize transactions that run through the business bank account and any credit cards. This keeps your checking account accurate and informs decisions around cash flow and spending.

Invoice Customers

Invoicing promptly needs to be a priority. Throughout the week, invoice customers and record payments in your general ledger so income isn't delayed.

Pay Vendors

Timeliness matters when paying vendors and other third parties. On-time payments build positive relationships that can unlock discounts and reduce turnover.

Monthly Bookkeeping Procedures

Reconcile Bank & Credit Card Accounts

Compare the data in your accounting system to what actually cleared the bank, helping you catch mistakes early.

Process Payroll

Process payroll and remit tax payments. Most agencies require monthly remittances, including federal and state withholding, unemployment insurance, and FICA taxes.

Evaluate Receivables & Payables

Review your aging schedules — who owes you, and who you owe — to stay ahead of collections and build strong vendor relationships.

Monitor Inventory

Check inventory levels monthly to avoid running out of product; even a few days without stock can be costly.

Compare Financials to Budget

Once your data is verified, compare actual results to plan and adjust operations heading into the next month.

Quarterly Bookkeeping Procedures

Update Income Forecast

Look at the big picture: how does income compare to forecast? Adjust spending or sales activity to realign with expectations.

Prepare Quarterly Payroll Reports

Federal and state agencies require quarterly reports, including the 941, 940, state withholding reconciliations, and unemployment insurance filings.

Tax Plan

Use your updated forecast to project taxable income, see if payments are needed, and identify planning strategies — ideally with a qualified accountant.

Annual Bookkeeping Procedures

Review Past Due Invoices

Go through payable and receivable ledgers in more detail. Should items be written off as bad debt? You want to start the next year with clean, accurate ledgers.

Issue Year-End Tax Forms

Year-end payroll tax forms are due by January 31, including W-2s and 1099s. Contractors that are a corporation or earn less than $600 don't need a 1099.

Finalize Financial Reports

Pull everything together from the year, making necessary adjustments to finalize reports used for your tax return and next year's budget baseline.

Other Tips and Tricks

Here are a few more bookkeeping tips and tricks to get you started:

Invest in Software

Accounting software streamlines bookkeeping, saving time on categorizing transactions or manually building reports. Popular options include QuickBooks, FreshBooks, and Wave.

Enlist Professional Help

Professional help is indispensable for accuracy — whether that's quarterly tax planning or a pro managing monthly reconciliations and payroll.

Monitor Internal Controls

Every business is at risk for fraud, even a small shop. Separate key functions — the person handling payroll shouldn't also complete bank reconciliations.

Getting Started

Are you ready to tackle the bookkeeping of your company? If you're still unsure about handling this function on your own, we're here to help.

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