WALLETKEEPING'S

DIY Bookkeeping Health Checklist

Hey, it's Sara!

Being able to assess the health of your own business's bookkeeping is critical to feeling confident in your financial reporting, especially if you're doing your own books!

I've put together this freebie to walk you through the same things I'm looking for in a new client's bookkeeping to get a gauge on how "healthy" their books are.

My DIY Bookkeeping Health Checklist is broken up into two sections: a Balance Sheet Checklist and an Income Statement Checklist. While many business owners are focused on their income and expenses, accountants often find skeletons (*a.k.a problems that will come back to haunt you*) hidden on the balance sheet.

If you run through this checklist and find that you can't confidently answer these questions or fix these issues on your own, it's time to consider hiring a professional to handle your bookkeeping.

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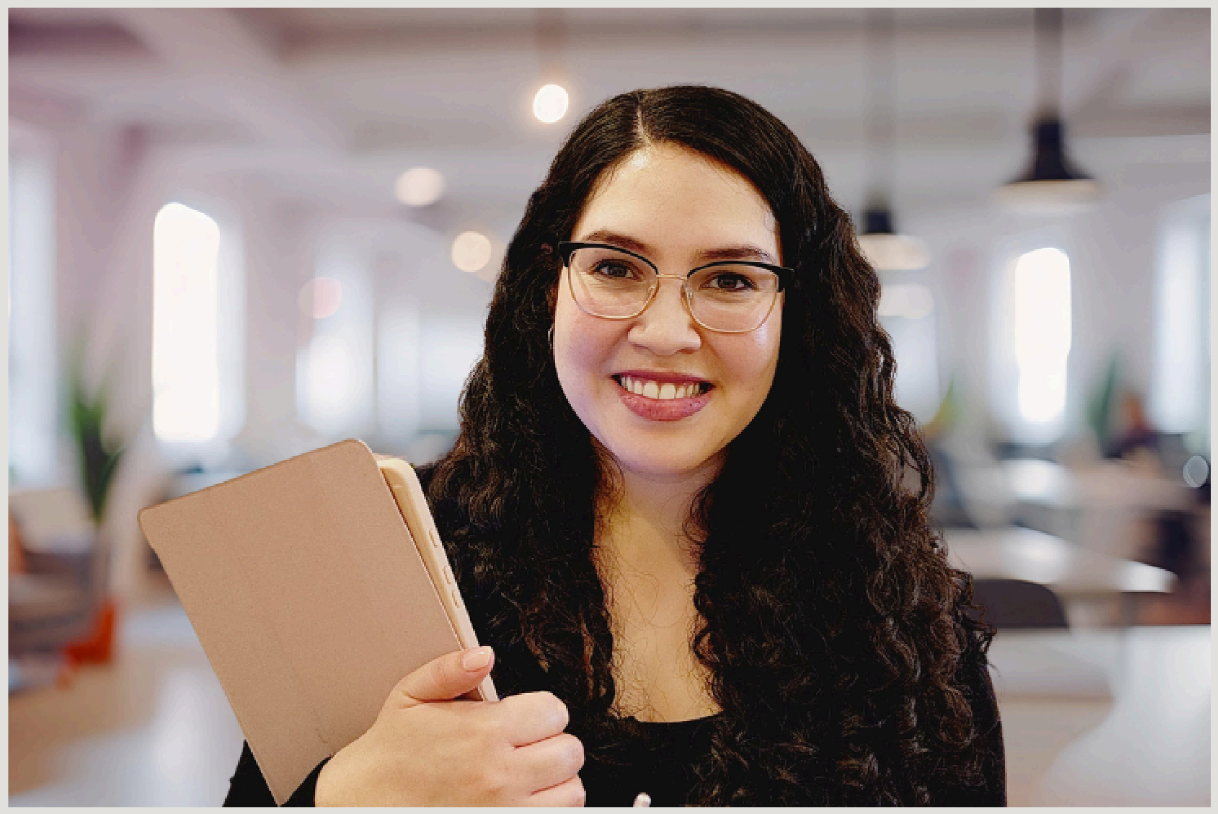
BALANCE SHEET CHECKLIST

- Do the beginning balances shown on your balance sheet tie to the amounts shown on your most recent tax return (if applicable)?
- Have all adjusting journal entries from your tax accountant been recorded?
- Are there any negative balances in a balance sheet account that need to be reclassified?
- Is the balance in undeposited funds correct or have payments for invoices been deposited?
- Is sales tax being collected, remitted, and recorded accurately?
- Ensure loan payments have been appropriately split between principal and interest payments.
- Verify that balances shown on bank accounts, loans, and credit cards tie to statements.
- Confirm that retained earnings rolled forward properly from last year.

DIY Bookkeeping

INCOME STATEMENT CHECKLIST

- Have all accounts been reconciled to the most recent statement date?
- Have all personal expenses been appropriately reclassified?
- Does COGS appear to be recorded correctly?
- Have all business expenses that were paid out of an owner's personal account been recorded?
- Ensure all uncategorized expenses have been categorized appropriately.
- Are there receipts to substantiate large/unusual purchases?
- Have all client payments been correctly matched to the corresponding invoice?
- Does revenue on your books match reports from your payment processor or bank deposits?
- Do payroll expenses and liabilities match payroll reports?



Let's Connect!

I'm passionate about helping small business owners make sense of their finances, bringing a level of organization and attention that makes all the difference. I'm here to ensure everything is in order, so you can focus on what you do best.

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