



## The Bookkeeper's Checklist

Before you begin entering your financial transactions in GnuCash, there are a few key steps you should take to ensure that you are well-prepared:

### ☐ 1. Separate Business and Personal Finances:

The very first step is to open a separate bank checking account for your business. This helps in maintaining clear records and avoid confusion by mixing personal and business expenses.

### ☐ 2. Gathering Financial Records

Collect all relevant financial documents for the accounting period you are working on

**a. Income ( Gross Receipts) :** You should collect all pertinent documents such as receipts, invoices, bank statements, forms 1099-MISC and any other financial documents related to your businesses gross income. Having these ready will make the process go much smoother.

**b. Business Expenses:** are the costs incurred during the normal course of running a business. These expenses are necessary for the business to operate .You generally need to keep the following types of documents to prove business expenses for IRS purposes.

1. **Receipts:** Detailed receipts showing the amount, date, and description of the expense. (digital or physical)

2. **Invoices:** Invoices from suppliers or service providers.

3. **Canceled Checks:** Checks that have been processed by the bank.

4. **Credit Card Statements:** Statements showing the business-related expenses.

5. **Bills:** Utility bills, rent bills, and other bills related to business operations.

6. **Bank Statements:** Statements from your business bank account.

7. **Mileage Logs:** Logs for business-related travel, including the date, purpose, and miles driven.

8. **Proof of Payment:** Any document that shows the payment was made, such as electronic funds transfer records.



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**9. Payroll Records:** Employee Information, and pay information regular and overtime earnings, all deductions, additions to wages, payment dates, and pay periods.

It's important to keep these documents organized and in a safe place, as they support the entries in your books and on your tax return. By taking these preparatory steps, you will be in a strong position to keep accurate and organized financial records, making the bookkeeping process with GnuCash much more efficient.

### ☐ 3. Define Bookkeeping Policies:

To maintain accurate financial records, and to track your sales and expenses effectively, and to be able to identify potential issues early on, you need to decide on the bookkeeping practices you will follow, such as how often will you record transactions (daily, weekly, monthly etc.).

### ☐ 4. Understand Tax Requirements:

**Make** sure you are aware of your tax obligations for your business such as understanding sales tax, self-employment tax, and any other local taxes you need to comply with. If you are unsure you may want to talk with your accountant or your state and local revenue offices.