

Module 4: Financial Setup & Systems

Establish robust financial foundations for your business — banking, payments, and tax compliance made simple.

Objective

To set up professional financial systems including business banking, payment processing, invoicing, bookkeeping, and tax compliance to ensure smooth operations and legal compliance.

Education Box

Financial setup is often the most intimidating part of starting a business, but with the right systems in place from day one, you'll have complete control over your cash flow, payments, and tax obligations. This module breaks down complex financial processes into manageable, actionable steps.

SECTION 4.1: Choose a Business Bank Account

Why It Matters

Keeping business and personal finances separate is crucial for clarity, tax preparation, and long-term growth. A good business bank account helps with managing cash flow, invoicing, and receiving payments.

What You Need to Do (Step-by-Step)

1. Choose a UK business bank — popular options:

Bank	Best For
Starling Bank	Recommended for ease and mobile app
Monzo Business	Easy interface, great support
Wise Business	International payments

2. Prepare your documents:

Required Documents
Business registration certificate (Companies House or UTR)
Valid ID (passport or driving licence)
Proof of address

3. Apply online:

Most digital banks let you open an account within 24–72 hours.

4. Activate account + download the app

Exercise 4.1: Business Banking Setup

1. Which bank will you choose?

2. Do you have all required documents ready?

- ☐ Business registration certificate (Companies House or UTR)
- ☐ Valid ID (passport or driving licence)
- ☐ Proof of address

3. Target application date:

4. Expected account activation date:

SECTION 4.2: Understand Invoicing & Remittance

Why It Matters

Invoicing is how you get paid. Remittance is how you track payments. Having templates and a system avoids cashflow gaps.

What You Need to Do

- Use our downloadable invoice template
- Include:

Invoice Requirements
Invoice number
Your company name, address, VAT number (if registered)
Customer details
Description of service
Total, VAT, payment terms (e.g. "Due in 7 days")

- Track invoices in a spreadsheet or use software (e.g. Xero, QuickBooks)
- Use our remittance template to log what's been paid

Exercise 4.2: Invoicing System Setup

1. How will you create invoices?

2. Your invoice numbering system:

3. Payment terms you'll use:

4. How will you track invoices?

5. How will you track payments received?

SECTION 4.3: Connect Stripe & PayPal

Why It Matters

Stripe and PayPal are the most trusted payment gateways for online and service-based businesses.

What You Need to Do

1. Create Stripe & PayPal accounts using your business email
2. Verify identity and connect to your business bank account
3. Set up payment links or integrate with your site (if live)
4. Create a "test payment" to make sure everything works

Exercise 4.3: Payment Gateway Setup

1. Business email for payment accounts:

2. Which payment gateways will you set up?

- ☐ Stripe
- ☐ PayPal
- ☐ Both

3. Bank account connection date:

4. Do you need website integration? Yes / No

5. Test payment completion date:

SECTION 4.4: Setup Basic Bookkeeping & Tax Preparation

Why It Matters

You must legally track your income, expenses, and prepare for tax season. Don't wait until it's too late.

What You Need to Do

- Choose a system:

Bookkeeping Options
Spreadsheet (we provide a basic template)
Accounting software (Xero, QuickBooks, FreeAgent)

- Track monthly:

Monthly Tracking
Income (what comes in)
Expenses (what you spend — tools, travel, software, etc.)
VAT (if registered)

- Bonus Tool: Xero Integration Walkthrough (Optional)

Exercise 4.4: Bookkeeping System Setup

1. Which system will you use?

- ☐ Spreadsheet template
- ☐ Xero
- ☐ QuickBooks

- ☐ FreeAgent
- ☐ Other: _____

2. What will you track monthly?

- ☐ Income (what comes in)
- ☐ Expenses (tools, travel, software, etc.)
- ☐ VAT (if registered)

3. Monthly review date:

4. Will you use Xero integration? Yes / No

SECTION 4.5: VAT, UTR & HMRC Essentials

Why It Matters

HMRC expects certain registrations depending on how much you earn and how your business is structured.

What You Need to Know

HMRC Requirements
UTR (Unique Taxpayer Reference) — issued when you register as a sole trader or LTD
VAT Threshold — register if your turnover exceeds £90,000/year
You can register voluntarily before that if it benefits your model
PAYE — only if you have employees
Submit Self-Assessment or Corporation Tax Returns depending on your setup

Exercise 4.5: HMRC Compliance Planning

1. Do you have your UTR number? Yes / No

If yes, UTR number: _____

2. Expected annual turnover:

3. Do you need VAT registration? Yes / No

4. Will you have employees? Yes / No

5. Which tax return will you need to submit?

- ☐ Self-Assessment
- ☐ Corporation Tax Returns

6. Important dates for your calendar:

SECTION 4.6: Optional: Choose an Accountant

Why It Matters

You can do it alone, but if numbers drain you — outsource to save stress.

What to Do

- Ask your network for referrals
- Interview 2–3 accountants before choosing
- Confirm:

Accountant Checklist
Do they handle small/startup businesses?
Do they help with tax returns, VAT, and bookkeeping?
Can they explain things in plain English?

Exercise 4.6: Accountant Selection

1. Will you use an accountant? Yes / No / Maybe

2. Referral sources:

3. Questions to ask potential accountants:

4. Accountants to interview:

1.

2.

3.

5. Decision criteria:

Completion Checklist

Congratulations — your financial systems are now professionally structured and compliant.

Final Checklist

Banking:

- ☐ Business bank account chosen
- ☐ Documents prepared
- ☐ Account application submitted
- ☐ Account activated

Invoicing & Payments:

- ☐ Invoice template ready
- ☐ Tracking system set up
- ☐ Stripe account created
- ☐ PayPal account created
- ☐ Test payments completed

Bookkeeping & Tax:

- ☐ Bookkeeping system chosen
- ☐ Monthly tracking set up
- ☐ UTR number obtained
- ☐ VAT registration completed (if needed)
- ☐ Tax return type identified

Professional Support:

- ☐ Accountant decision made
- ☐ Referrals obtained (if using accountant)
- ☐ Interviews completed (if using accountant)

Next Steps

With your financial systems complete, you're ready to move on to the next module.

Date Completed: _____

Your Signature: _____