

Murphy Family Codex — CPA-Ready Banking Summary

Prepared: 2025-12-19

Business: The Midnight Garden

Banking Platform: Relay Financial

Tax Identity: EIN 41-2835202 (CP 575 G on file)

Relay Account Purposes:

- Business Checking (*****2374): Clearing / receipt account for platform payouts.
- Operating Income (*****1119): Allocated revenue for clean tracking.
- Operating Expenses (*****1124): All business spending.
- Taxes (*****1121): Dedicated tax reserve; do not spend for operations.
- Owner Pay (*****1123): Owner draw/distribution transfers only.
- Business Savings (*****2375): Reserves/buffer; short-term retention.

Recommended Bookkeeping Mapping:

- Business Checking → Cash: Operating (Clearing)
- Operating Income → Cash: Operating
- Operating Expenses → Cash: Expenses
- Taxes → Cash: Tax Reserve
- Owner Pay → Owner Draw / Distributions
- Business Savings → Cash: Savings / Reserves

Reconciliation Rules:

- Reconcile monthly at minimum; weekly is preferred as volume increases.
- Match Etsy deposit batches to payouts landing in Business Checking.
- Allocate transfers on a consistent cadence (e.g., weekly allocation day).
- Keep receipts tied to spending from Operating Expenses.

Tax Handling (simple discipline):

- After each payout, transfer a fixed percentage of receipts to Taxes.
- Never pay operating expenses from the tax reserve.
- Confirm the percentage with a CPA once revenue stabilizes.

Note: This summary is an organizational aid, not tax or legal advice.