**90-Day Financial SOP for Mingus Launch**

**Critical Foundation: The Golden Rules**

**Rule #1: NEVER MIX FUNDS**

* **Business account ONLY** for business expenses
* **Personal account ONLY** for personal expenses
* **No exceptions, no "I'll fix it later"**
* **Document EVERY transaction** between personal and business

**Rule #2: FORMAL DOCUMENTATION**

* Every dollar in/out must have a paper trail
* Owner contributions and draws must be formally documented
* Monthly reconciliation is mandatory, not optional

**Rule #3: REAL-TIME TRACKING**

* Record transactions within 24 hours
* Weekly review and categorization
* Monthly complete reconciliation

**Pre-Launch Setup (Week -1 to Week 0)**

**Step 1: Banking Infrastructure**

**Business Banking Setup:**

1. **Open Business Checking Account**
   * Bank: Choose from M&T Bank, PNC, or Mercury (online)
   * Required documents: LLC Articles, EIN, Operating Agreement
   * Initial deposit: $1,000 minimum (from personal as capital contribution)
2. **Open Business Savings Account**
   * Same bank as checking for easy transfers
   * Purpose: Tax withholdings and emergency fund
   * Target: 25-30% of monthly revenue for taxes
3. **Business Credit Card**
   * Apply for: Chase Ink Business Cash or Capital One Spark
   * Credit limit: $5,000-10,000 initial goal
   * Use exclusively for business expenses

**Documentation for Initial Funding:**

CAPITAL CONTRIBUTION MEMO

Date: [Launch Date]

From: [Your Name] (Member)

To: Mingus, LLC

Amount: $5,000

Purpose: Initial business funding for launch operations

Memo: Owner capital contribution per Operating Agreement Section [X]

**Step 2: Software Stack Setup**

**Accounting Software Selection:**

1. **QuickBooks Online** (Recommended)
   * Plan: Simple Start ($25/month) or Essentials ($50/month)
   * Features: Bank feed integration, expense categorization, financial reports
   * Setup time: 2-3 hours initial configuration
2. **Alternative: Xero**
   * Plan: Early ($13/month) or Growing ($37/month)
   * Better for international transactions
   * Strong third-party integrations

**Expense Management:**

1. **Expensify** ($5-18/month)
   * Mobile receipt scanning
   * Automatic expense categorization
   * Integration with QuickBooks/Xero
2. **Alternative: Receipt Bank** (Now part of Dext)
   * AI-powered receipt processing
   * Bank feed integration
   * Approval workflows

**Banking Integration:**

1. **Plaid or Yodlee** (Built into most accounting software)
   * Automatic bank transaction import
   * Real-time balance updates
   * Secure bank connections

**Step 3: Chart of Accounts Setup**

**QuickBooks Chart of Accounts for Mingus:**

**Assets:**

* 1000 Business Checking Account
* 1010 Business Savings Account
* 1020 Accounts Receivable
* 1030 Prepaid Expenses

**Liabilities:**

* 2000 Business Credit Card
* 2010 Accounts Payable
* 2020 Accrued Expenses

**Equity:**

* 3000 Owner Contributions
* 3010 Owner Draws
* 3020 Retained Earnings

**Income:**

* 4000 Subscription Revenue - Budget Tier
* 4010 Subscription Revenue - Mid Tier
* 4020 Subscription Revenue - Professional Tier
* 4030 Setup Fees
* 4040 Other Revenue

**Expenses:**

* 5000 Software & Technology
  + 5001 Hosting & Infrastructure
  + 5002 Software Subscriptions
  + 5003 Domain & SSL
* 5100 Marketing & Advertising
  + 5101 Digital Advertising
  + 5102 Content Creation
  + 5103 Influencer Partnerships
* 5200 Professional Services
  + 5201 Legal Fees
  + 5202 Accounting Fees
  + 5203 Consulting Fees
* 5300 Business Operations
  + 5301 Business Insurance
  + 5302 Bank Fees
  + 5303 Payment Processing
* 5400 Owner Compensation
  + 5401 Owner Salary (if S-Corp later)
  + 5402 Owner Draws

**Daily Procedures (Days 1-90)**

**Daily Transaction Management**

**Every Business Day (5-10 minutes):**

1. **Check Business Accounts**
   * Log into business banking app
   * Review overnight transactions
   * Screenshot/note any unusual activity
2. **Record Transactions in Real-Time**
   * Open QuickBooks mobile app
   * Categorize any new transactions
   * Take photos of receipts immediately
3. **Expense Documentation**
   * Every business purchase requires:
     + Receipt or invoice
     + Business purpose note
     + Date and amount verification
     + Proper categorization

**Daily Documentation Template:**

Transaction: $29.99 to Stripe

Date: [Date]

Category: Software & Technology (Payment Processing)

Business Purpose: Monthly payment processing fees

Receipt: [Photo/PDF attached]

Notes: Standard monthly charge for customer payments

**Personal Expense Prevention**

**NEVER Use Business Account For:**

* ❌ Personal meals (unless business meeting with documentation)
* ❌ Personal shopping or entertainment
* ❌ Personal gas (unless business travel)
* ❌ Personal subscriptions (Netflix, Spotify, etc.)
* ❌ Personal utilities or rent
* ❌ Personal insurance payments

**If You Accidentally Use Wrong Account:**

1. **Immediately document the error**
2. **Transfer funds to correct account within 24 hours**
3. **Create formal journal entry in QuickBooks**
4. **Add memo explaining the correction**

**Correction Documentation:**

ERROR CORRECTION MEMO

Date: [Date]

Description: Personal meal charged to business card by mistake

Amount: $45.67

Correction: Personal transfer of $45.67 to business account

Journal Entry: DR Owner Draw $45.67, CR Business Checking $45.67

**Weekly Procedures (Every Friday)**

**Weekly Financial Review (30 minutes)**

**Week 1-13 Checklist:**

1. **Bank Reconciliation**
   * [ ] Download bank statements
   * [ ] Match all transactions in QuickBooks
   * [ ] Resolve any discrepancies
   * [ ] Document any outstanding items
2. **Expense Review**
   * [ ] Review all expense categories
   * [ ] Ensure proper business purpose documentation
   * [ ] Verify no personal expenses were recorded
   * [ ] Update expense forecasts
3. **Revenue Tracking**
   * [ ] Record subscription revenue
   * [ ] Update customer count by tier
   * [ ] Calculate weekly MRR growth
   * [ ] Update revenue projections
4. **Cash Flow Analysis**
   * [ ] Review current cash position
   * [ ] Project next week's expenses
   * [ ] Ensure sufficient operating funds
   * [ ] Plan any needed owner contributions

**Weekly Financial Dashboard:**

Week [X] Financial Summary:

Beginning Cash Balance: $\_\_\_\_\_\_

Total Revenue This Week: $\_\_\_\_\_\_

Total Expenses This Week: $\_\_\_\_\_\_

Ending Cash Balance: $\_\_\_\_\_\_

Weekly Burn Rate: $\_\_\_\_\_\_

Runway (weeks): \_\_\_\_\_\_

**Weekly Compliance Check**

**Documentation Verification:**

* [ ] All receipts collected and filed
* [ ] All transactions properly categorized
* [ ] No mixing of personal/business expenses
* [ ] Owner transactions properly documented
* [ ] Bank accounts reconciled

**Monthly Procedures (First Friday of Each Month)**

**Month 1, 2, and 3 Comprehensive Review**

**Monthly Financial Close Process (2-3 hours):**

1. **Complete Bank Reconciliation**
   * [ ] Reconcile all business accounts
   * [ ] Clear any outstanding items
   * [ ] Document month-end balances
   * [ ] Prepare reconciliation reports
2. **Financial Statement Preparation**
   * [ ] Generate Profit & Loss statement
   * [ ] Create Balance Sheet
   * [ ] Prepare Cash Flow statement
   * [ ] Review all account balances
3. **Owner Transaction Review**
   * [ ] Document all capital contributions
   * [ ] Record any owner draws
   * [ ] Update owner equity accounts
   * [ ] Prepare owner equity summary
4. **Tax Preparation**
   * [ ] Calculate quarterly tax estimates
   * [ ] Transfer 25-30% of profit to tax savings
   * [ ] Prepare tax documentation
   * [ ] Review deductible expenses

**Monthly Capital Contribution/Draw Documentation:**

MONTHLY OWNER TRANSACTION SUMMARY

Month: [Month/Year]

Opening Owner Equity: $\_\_\_\_\_\_

Capital Contributions:

Date: [Date] Amount: $\_\_\_\_\_\_ Purpose: [Purpose]

Date: [Date] Amount: $\_\_\_\_\_\_ Purpose: [Purpose]

Total Contributions: $\_\_\_\_\_\_

Owner Draws:

Date: [Date] Amount: $\_\_\_\_\_\_ Purpose: [Purpose]

Date: [Date] Amount: $\_\_\_\_\_\_ Purpose: [Purpose]

Total Draws: $\_\_\_\_\_\_

Net Owner Activity: $\_\_\_\_\_\_

Ending Owner Equity: $\_\_\_\_\_\_

**Monthly Business Performance Review**

**Key Metrics Tracking:**

* [ ] **Revenue Metrics**
  + Monthly Recurring Revenue (MRR)
  + Customer count by tier
  + Average Revenue Per User (ARPU)
  + Churn rate
* [ ] **Expense Analysis**
  + Total operating expenses
  + Expense categories as % of revenue
  + Cost per customer acquisition
  + Monthly burn rate
* [ ] **Cash Flow Management**
  + Operating cash flow
  + Cash runway (months)
  + Working capital requirements
  + Growth investment needs

**Monthly Financial Health Check:**

Month [X] Business Health Dashboard:

Total Revenue: $\_\_\_\_\_\_

Total Expenses: $\_\_\_\_\_\_

Net Profit/Loss: $\_\_\_\_\_\_

Cash Balance: $\_\_\_\_\_\_

Monthly Burn Rate: $\_\_\_\_\_\_

Runway (months): \_\_\_\_\_\_

Customer Count: \_\_\_\_\_\_

MRR Growth: \_\_\_\_\_\_%

**Software Implementation Guide**

**QuickBooks Online Setup (Step-by-Step)**

**Day 1: Initial Setup**

1. **Account Creation**
   * Go to quickbooks.intuit.com
   * Select "Simple Start" plan ($25/month)
   * Enter business information (Mingus, LLC)
   * Add EIN and business address
2. **Bank Connection**
   * Connect business checking account
   * Connect business savings account
   * Connect business credit card
   * Set up automatic transaction download
3. **Chart of Accounts**
   * Import the chart of accounts provided above
   * Customize account names for your specific needs
   * Set up expense categories
   * Configure tax mappings

**Week 1: Transaction Management** 4. **Transaction Rules**

* Set up automatic categorization rules
* Example: "Stripe" → Payment Processing Fees
* Example: "Railway" → Hosting & Infrastructure
* Example: "Google Domains" → Software Subscriptions

1. **Recurring Transactions**
   * Set up recurring revenue entries
   * Configure automatic expense entries
   * Schedule monthly subscription costs
   * Set up owner draw schedules

**Week 2: Reporting Setup** 6. **Financial Reports**

* Customize Profit & Loss report
* Set up Balance Sheet template
* Configure Cash Flow report
* Create custom dashboard

**Expensify Mobile App Setup**

**Mobile Expense Management:**

1. **App Installation & Setup**
   * Download Expensify app
   * Connect to business credit card
   * Set up receipt scanning
   * Configure expense categories
2. **Daily Usage Workflow**
   * Take receipt photo immediately after purchase
   * Add business purpose note
   * Select appropriate category
   * Submit for approval
3. **Integration with QuickBooks**
   * Connect Expensify to QuickBooks
   * Set up automatic expense sync
   * Configure approval workflows
   * Test data transfer

**Banking App Management**

**Daily Banking Routine:**

1. **Morning Check (5 minutes)**
   * Open business banking app
   * Review overnight transactions
   * Note any pending charges
   * Check account balances
2. **Evening Review (5 minutes)**
   * Review day's transactions
   * Verify all business charges
   * Check for any personal mistakes
   * Plan next day's expenses

**Documentation Templates & Forms**

**Owner Contribution Form**

OWNER CAPITAL CONTRIBUTION

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Owner Name: [Your Name]

LLC Name: Mingus, LLC

Contribution Amount: $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Contribution Type: [ ] Cash [ ] Property [ ] Services

Purpose: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Bank Account Transfer Details:

From Account: [Personal Account] #\_\_\_\_-\_\_\_\_

To Account: [Business Account] #\_\_\_\_-\_\_\_\_

Transfer Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Confirmation #: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Owner Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Owner Draw Form**

OWNER DRAW REQUEST

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Owner Name: [Your Name]

LLC Name: Mingus, LLC

Draw Amount: $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Purpose: [ ] Living Expenses [ ] Tax Payment [ ] Other: \_\_\_\_\_\_\_

Business Account Balance Before Draw: $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Projected Balance After Draw: $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Authorization: This draw is approved per Operating Agreement

Section [X] and will not impair LLC operations.

Owner Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Business Expense Log**

WEEKLY BUSINESS EXPENSE LOG

Week of: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date | Vendor | Amount | Category | Business Purpose | Receipt

\_\_\_\_\_|\_\_\_\_\_\_\_\_|\_\_\_\_\_\_\_\_|\_\_\_\_\_\_\_\_\_\_|\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_|\_\_\_\_\_\_\_\_

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Total Weekly Expenses: $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Reviewed by: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Emergency Procedures**

**What to Do If Accounts Get Mixed**

**Immediate Response (Same Day):**

1. **Stop and Document**
   * Don't make any more transactions
   * List all mixed transactions
   * Calculate total amounts involved
2. **Immediate Correction**
   * Transfer correcting amounts same day
   * Create detailed correction memo
   * Update accounting records immediately
3. **Formal Documentation**
   * Prepare formal correction journal entry
   * Update operating agreement if needed
   * File correction memo in corporate records

**Monthly Error Review**

**End of Each Month:**

* [ ] Review all owner equity transactions
* [ ] Verify no personal expenses in business
* [ ] Confirm all business expenses have business purpose
* [ ] Document any corrections made during month

**90-Day Milestones & Checkpoints**

**Day 30 Checkpoint**

**Financial Separation Health Check:**

* [ ] Zero personal expenses in business accounts
* [ ] All owner transactions documented
* [ ] Daily transaction recording maintained
* [ ] Weekly reconciliations completed
* [ ] Software systems functioning properly

**Day 60 Checkpoint**

**System Optimization Review:**

* [ ] Accounting software fully integrated
* [ ] All processes running smoothly
* [ ] Documentation templates in use
* [ ] No mixing incidents for 30+ days
* [ ] Financial reports generating accurately

**Day 90 Checkpoint**

**Complete System Validation:**

* [ ] Three full months of clean records
* [ ] All financial statements accurate
* [ ] Owner equity properly tracked
* [ ] Ready for tax preparation
* [ ] Systems scalable for growth

**90-Day Success Metrics:**

* **Days with mixed transactions:** 0 (Target: 0)
* **Average daily recording time:** <10 minutes
* **Monthly close time:** <3 hours
* **Accounting accuracy:** 99%+ (no significant errors)
* **Documentation completeness:** 100% (all transactions documented)

**Red Flags & Warning Signs**

**Immediate Attention Required:**

* Any personal expense charged to business account
* Business funds used for personal expenses
* Missing receipts or documentation
* Delayed transaction recording (>48 hours)
* Bank account discrepancies
* Mixed transaction patterns developing

**Weekly Warning Signs:**

* Increasing time to complete reconciliation
* More frequent correction entries
* Difficulty categorizing expenses
* Cash flow confusion
* Owner equity miscalculations

**Monthly Danger Signals:**

* Unable to complete monthly close in 3 hours
* Financial statements don't balance
* Tax estimate calculations unclear
* Audit trail gaps or missing documentation
* IRS or state compliance issues

**Success Criteria**

**90-Day Financial Separation Success Definition:**

**Perfect Separation Achieved When:**

1. **Zero mixing incidents** for 90 consecutive days
2. **Complete documentation** of all transactions
3. **Accurate financial statements** generated monthly
4. **Owner equity properly tracked** and documented
5. **Tax-ready records** maintained throughout
6. **Scalable systems** in place for growth
7. **Audit-ready documentation** for all transactions

This system ensures complete financial separation from Day 1, protects your LLC status, and creates audit-ready books for future investors or tax purposes. The key is consistency—follow these procedures religiously for 90 days to establish permanent good habits.