

HOW TO SET UP A TAX-SAVING BOOKKEEPING SYSTEM

One of the most important, but least understood or appreciated aspects of any business is its bookkeeping or accounting system. And, because very few people know much about the reasons for a bookkeeping system, most people are frightened by the thought of the work involved in setting up such a system, and the drudgery of daily maintenance.

There's really nothing complicated to bookkeeping it's as simple as keeping a daily dairy and' or maintaining your personal checkbook. At the bottom line, it's simply a matter of recording your deposits-your incoming monies-and keeping a record of the money you spend.

So, the first thing you need to do is open a business account for your extra income business or endeavors. Generally, this is simply a matter of asking the new accounts teller at a local bank for a business account registration fee, send it in to the appropriate commissioner, and from there, open you a new business account-complete with imprinted checks.

Drop by a local stationery store and pick up a loose leaf notebook, and a supply of paper. We've always picked up a supply of index tabs at the same time--either to separate the months or the accountability sections for each item we sell.

Assuming that you want to make it as simple as possible, while at the same time keeping it as efficient as is necessary--here's what you do and how to do it.

On the first page in your notebook, write on the top line and in the middle of the page: Monday, January 1st, 1983 or whatever day you officially start your business...Then, as your orders come in, if by mail, as you open your mail-jot down starting from the left side of the page, the amount you received--dash-for what--from whom, and their address. The page might look like this:

Monday--- January 1 1983

\$

14 Tapes

100 S.W Fee-Barton
10 Hong Kong Dir #261
10 " " #261
3 Whsle Prt Dir #49
70 Hot Line Lst--Morgan

TOTAL INCOME \$207 EXPENSES 0

That's all there is to it, and boiling it all down, it amounts to recording what you receive and what you spend.

The next entry, immediately under that first day's entry might look like this:

\$207 Deposit
11 Printer-for copies
10 Sec & riches thru R Est #302-Rogers(75010)
3 Simplified annual M.O bkkp Sys (21104)
10 Money Magnetism-Kline (88033)
36 R.W Fee-Magnuson (10067
6 Manual on Bookselling-#291-Magnuson (10067
15 display Ad- Smith 948089)
22 Ideal Ofc Supplies-printer paper

TOTAL INCOME \$80 Expense \$33 Deposit \$207

And then, carry on with this recording of the money you deposit, receive and spend each day with similar entries for each day of the week-every day Monday Thru Saturday for each week. It's simple uncomplicated, and a positive record of your business activity.

Then at the end of each month, transfer this daily information to one of the low cost bookkeeping registers that your tax consultant or accountant can work from. These people won't work from your daily dairy, ad will not transfer the information you record in it to a formal bookkeeping register without charging you a small fortune. it's not that big of a job, ad if you do it after te close of the business on the last day of the month, it will take at the most a very few minutes. Then, of course, when you're ready to do your taxes, you simply give your bookkeeping register to whoever is going to do your taxes, and you're home free.

The bookkeeping register you'll need can be any simple columnar

notebook-we use an "Ekonomik Register,Form RL-17"
available in a number of different styles and sizes from Ekonomik
Systems-PO Box 11413-Tacoma,WA 98411. All you really need is some
sort of notebook with a number of columns marked off, a title
written at the top of each column, and a record of te money
received for each day relative to the product or service each
column represents. Then at the end of each month, you can simply
add the totals from each column and you'll instantly know how
much money you took in from each of your offers.

Beyond te date column, will be your record of expenses or money
spent. Again, you should title each of the columns you'll be
entering figures into, and then record your expenditures for
items falling into those categories. Then at the end of each
month, it's a simple matter to add the total from each column and
know exactly where you stand relative to profit or loss-how much
you took in compared to how much you spent.

Bookkeeping and/or accounting is a very simple and should not
scare you. Just keep it simple, ad up-to-date.