

Title:

Business Expenses - Track Your Admin Expenses

Word Count:

426

Summary:

Business expenses need to be budgeted for when you are starting a business. One of the largest expense categories that needs to be looked at is the administrative business expenses.

Keywords:

Business Expense, Business-Expense

Article Body:

Business expenses need to be budgeted for when you are starting a business. These expenses are typically categorized according to type. One of the larger categories of business expense falls under the heading Administrative Expenses. These business expenses are those related to the day-to-day operations of the company.

It is important to understand these administrative expenses. When you are preparing your budget and pro forma statements you need to be aware of the options that impact each of these business expenses.

The first business expense to look at is payroll. Your business needs to be able to pay you. This business expense may be regular or infrequent but it needs to be budgeted for.

Next is business expenses related to telecommunications. These are items like cell phones, business phone lines, and Internet access.

Insurance is an important business expense in the administrative category. Here you need to consider business insurance, general liability insurance, casualty insurance and health insurance.

Health insurance is a huge business expense. Our recommendation when budgeting for this is: If you have a spouse that has health insurance try to stay on their policy. If COBRA is an option for you, try to arrange that. This is a very costly business expense so do your homework carefully.

Bank fees are a business expense that many people don't even think about. You

should realize though that banks charge a fee to open a business account and the monthly fees are typically higher than for personal accounts.

A related expense is the fees charged by the credit card companies. These add up to huge business expenses as they typically charge at least two or three percent on each transaction. And many small-business owners absolutely love American Express, which usually charges even higher percentage fees.

Another large business expense item is professional fees. These are the fees you pay to your accountant and/or attorney to advise you on different stages of your business as well as other benefits.

Other common business expenses in the administrative category include:

Travel and Entertainment

Office Supplies

Vehicle Expense

The Bottom Line on Business Expenses

You need to understand and research every business expense when you begin the process of budgeting. The business expenses related to administration often get overlooked as they are not the obvious sales related expenses. This business expense category accounts for a large portion of your overall expenses so it is worth examining closely.

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