

# Accounting Hacks That Will Make Your Bookkeeping Process So Much Easier

Bookkeeping can be any business owner's nightmare if you don't have any idea how to tackle the subject. You need to understand how crucial it is to keep track of the company's expenses to be able to calculate your taxes correctly.

It may sound tempting to hire an accounting expert to leave it in the hands of a professional; however, if your company is barely making any profit, this may not be a viable option. Fortunately, this guide shares some accounting hacks that will make your bookkeeping process so much easier, which will help you immensely as your company continues to grow and expand its business.

Picture 1 of Accounting Hacks That Will Make Your Bookkeeping Process So Much Easier

## Retain Your Historical Records

As required by the IRS, you need to record your tax returns for 7 years. However, in some states, the record needs to stay in your business records for 3 years, depending on the document's event, action, or expenses included within. You may be wondering what the best solution to store these records safely would be; one that allows you to access them easily if they're ever needed. This is where cloud-based storage services can come in handy. Most services only require a small annual fee to keep your information stored in their database, and it's not limited to your historical records. Your backup data can also include any sensitive data crucial for your business functions, such as contracts, client information, or any information that affects day-to-day operations.

The bottom line is to always have a clear idea of what type of data you're producing, where it is being stored, and always have several layers of protection to access it. You can combine password manager software, restricted access to certain documents, best-practice training for all employees, among other cybersecurity solutions.

## Use Digital Solutions

There are almost no disadvantages to using accounting software in your company, and it can help you in many areas, from recruiting people to interacting with clients. These digital solutions are your best ally, as they'll sync your banking accounts and automatically maintain a record of any transaction you make. That way, you're also able to keep track of late-paying customers, allowing you to check when receivables are due and you'll also have some time to talk to them and set up a potential payment plan if needed.

When you choose a bookkeeping service, not only do you get the cloud-based accounting services, but also outsourced accountants who assist you in setting up the platform and attend to your inquiries and issues. The

payments for these services depend on the company's size, and you can click here or do your research online to find the best option for your business. What's important is that you're able to integrate different tools, such as time-tracking software used by your employees, to ensure that all data matches up.

Picture 2 of Accounting Hacks That Will Make Your Bookkeeping Process So Much Easier

## Do Your Bookkeeping on Time

One of the first things every business owner should consider and be aware of is to never leave bookkeeping until the very last minute. During the process, take it slow, be thorough, and make sure to perform regular financial checkups. This will make the process go much smoother, which you'll come to realize once it's time to print out the final results. If you're doing the accounting tasks yourself, check all your receipts every week and compare that figure with the money you have in your bank account to verify that everything looks in order.

In any case, if you decide to go for the traditional bookkeeping route, you'd have to invest too much time and effort into making sure all numbers sum up correctly. Even then, you won't have the certainty of a flawless accounting process until someone else checks your numbers, or in the worst-case scenario, the IRS flags your company for a mistake in your tax declarations. On the other hand, using accounting software for bookkeeping will always save time, and it's a cost-effective solution. At some point, you'll also need to hire someone to supervise this process so that you're able to dedicate yourself to other tasks. Yet, business owners should always overview where the corporate money flow is going to avoid unpleasant surprises down the road.

You should consider looking closely at your accounting records at the end of each quarter to keep track of your business growth. Check for potential trends and see if you need to apply any changes for the upcoming quarter so that you're able to compare your revenue with past results. As the owner, you must prepare your business for any unexpected situation or expense. For that reason, you must have a good understanding of your bookkeeping efforts, which can be made easier with digital tools and an accountant's help.

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