

Proposed Bookkeeping Methodology (Best practices suggested)

Thank you for your explanation regarding your business.

I have prepared herewith work methodology which would be best suited for your business based on discussion we had during the call. This things are just based on our brief understanding of the business

Name of business Entity

Sample
.....

Country of registration

USA



Software used by client

QuickBooks



Suggested period for Management report

Cash summary - for week starting 05/19/22	
Cash on Hand as of 05/16/22 (GB Register Balance)	\$ 1,599,186.00
(+) this week anticipated AR (Week of 05/16 - 05/22)	\$ 468,750.00
(-) Payroll	\$ -
(-) AP as of 05/16/22	\$ (139,215.00)
Ending Balance as of 05/16/22	\$ 1,928,721.00
Available cash balance as of 05/16/22 (With AR received)	\$ 1,928,721.00
Available cash balance as of 05/16/22 (Without AR received)	\$ 1,459,971.00
Forecasted for upcoming week of 05/23/22	
Cash on Hand as of 05/23/22 (With Prior AR received)	\$ 1,928,721.00
Cash on Hand as of 05/23/22 (Without Prior AR received)	\$ 1,459,971.00
AR Aging*** (Week of 05/23 - 05/29)	\$ 128,000.00
(-) Payroll	\$ (247,766.00)
(-) Upcoming week AP as of 05/23/22	\$ (48,684.00)
Forecasted cash balance as of 05/23/22 (With Past Due AR Received)	\$ 1,760,271.00
Forecasted cash balance as of 05/23/22 (Without Past Due AR Received)	\$ 1,163,521.00

Weekly Management snapshots



We can prepare a snapshot as below

XYZ Management report for Month of September 2016		
SN	Report	Basis
1	P&L for month of September 2016- Cash Basis	Cash
2	P&L for month of September 2016	Accrual
3	Cash Flow Statement for Month of September 2016	N.A
4	Cash On Hand in Various Months in 2016	Accrual
5	Expenses By Vendor for January to September 2016	Accrual
6	Accounts Payable Ageing Summary	Accrual
7	Revenue by customer YTD- March	Accrual
8	Revenue Growth in Last 5 years	Accrual
9	Accounts Receivable Summary	Accrual
10	KPI Report - Revenue, Expense and Profit Performance	Accrual
11	Net Profit Ratio	Accrual
12	Variance Analysis	Accrual
13	Payroll and Contractors	
14	Balance Sheet for September 2016	Accrual
15	Balance Sheet for September 2016- Cash Basis	Cash

Quarterly management report



since quantum of business is low

XYZ Management report for Month of September 2016		
SN	Report	Basis
1	P&L for month of September 2016- Cash Basis	Cash
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3	Cash Flow Statement for Month of September 2016	N.A
4	Cash On Hand in Various Months in 2016	Accrual
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9	Accounts Receivable Summary	Accrual
10	KPI Report - Revenue, Expense and Profit Performance	Accrual
11	Net Profit Ratio	Accrual
12	Variance Analysis	Accrual
13	Payroll and Contractors	
14	Balance Sheet for September 2016	Accrual
15	Balance Sheet for September 2016- Cash Basis	Cash

Monthly management report- We



provide below management reports



Yearly management report

How is payables Managed? (Accounts payables relates to bills payable by Organization and paying vendors timely)

Management of payables

- We can record all the payables and enter them one by one and prepare weekly report of payables
- Payables would not be managed by Bookkeeper

Payables Methodology

Here is suggested payables Methodology

Here is a suggested payables methodology we can use

Here is a method which we would follow for Payables entry:

1. Central email ID for Payables:

We can have one central email ID for rushabh947@gmail.com where we can have all the information on payables namely:

- a) Invoices which we receive for payments
- b) E Statements which we receive for vendor payable.

2. Receiving invoices from Vendors:

We shall receive all the invoices from vendors and we shall enter them in Xero within 24 hours of receipt of invoice from here in India.

If the invoice is received in Hard copy, it needs to be scanned and sent to that email ID.

3. Entry of the invoices in Xero:

We can enter the invoices into Xero from that email ID and mark the email as entered so that user of email ID can know that it has been entered in Xero.

4. Maintaining a register of all the invoices received:

We would create a register in Excel for all the invoices received and entered in Excel in a shared dropbox folder.

See one example of this which we do for one of our

5. Shared folder:

We shall create a shared folder of all the invoices in Dropbox and save them all in that folder. That folder would be accessible in real time by everyone to whom that folder is shared.

Suggested software's to be used for payable

Dext



Payroll and Receivables management

Benefits of payroll software



HOW A PAYROLL CAN BENEFIT YOUR SME & STARTUP?



Software for payroll

ADP



Syncing of Payroll with Accounting software (if using payroll software)

- Payroll software integrates with Accounting software
- Payroll software does not integrates with Accounting software

Accounts receivable processing



How is receivable managed?

Client enters the invoices into Quickbooks accounting software

Accounts Receivable

Receivables management - how to do receivables management.

Payment Gateway is used- Reconciliation of payment gateway needs to be done ▼

Industry specific things to take care

Ecommerce- Need to ensure that the money coming in is reconciled with the sales invoices ▼

Class Tracking - Class Tracking can help record the transactions via various business strategic units

Class tracking is an opt-in feature that allows users to group expenses or invoices by location, department, or any other meaningful segment of your business.

Is class tracking required

Not required ▼

Sales tracking platform

Sales platforms consist of tools and integrations that help companies accelerate sales cycles and organize all sales activity in one place. Tracking a lead's journey from their first interaction with a rep to a close or lost sale

Amazon ▼

Product or Service business

- Service business- No inventory tracking required
- Product business- Inventory tracking required

Inventory tracking

Tracking of Inventory is required for business who need to track their inventory and the levels of inventory

Inventory Management Software: Keep track of every product you buy and sell & Get real-time inventory valuation

Inventory tracking

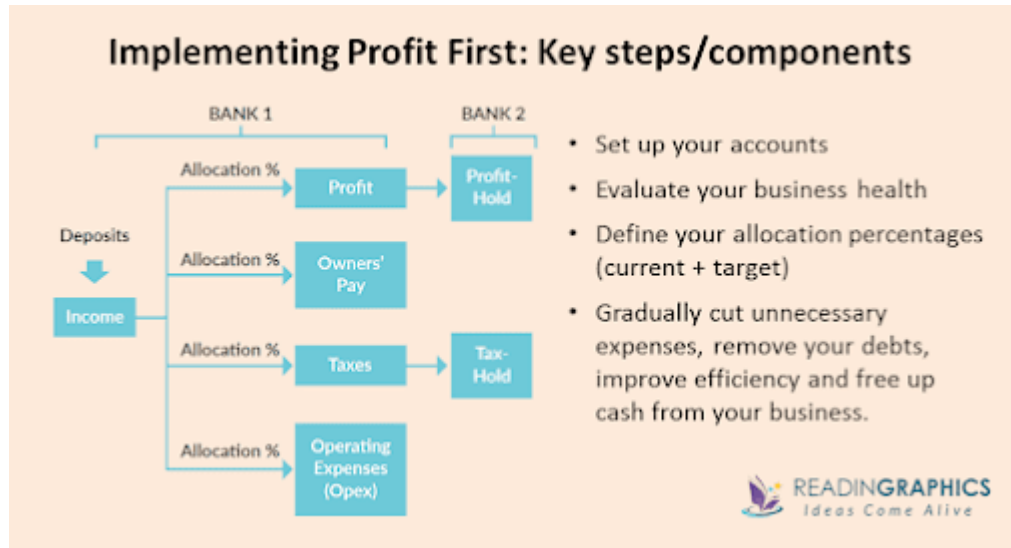
The process of a business continuously monitoring all of the inventory that it owns

Inventory tracking can be done with an add on accounting software ▼

Advanced Accounting

Profit first

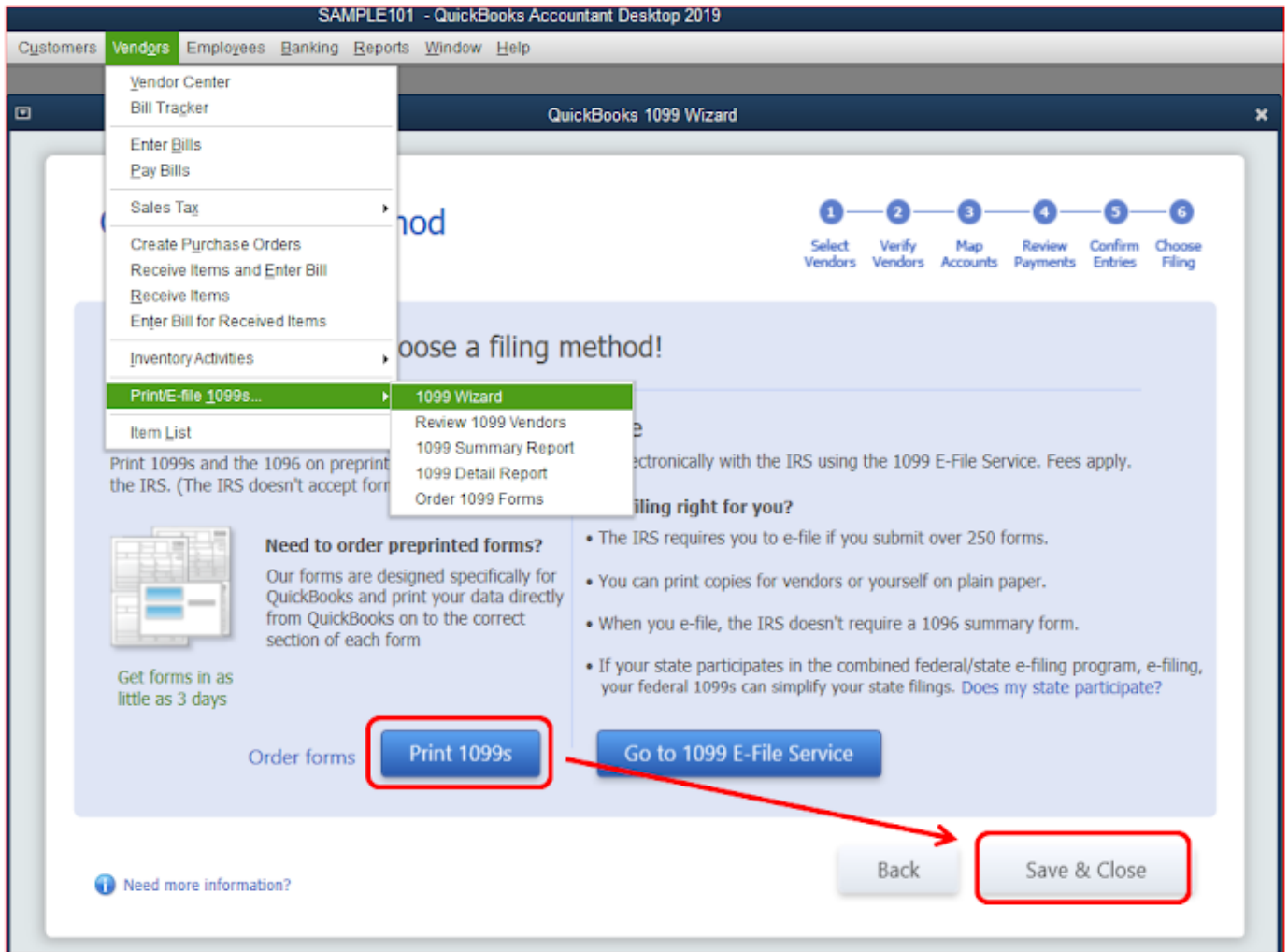
Profit describes the financial benefit realized when revenue generated from a business activity exceeds the expenses, costs, and taxes involved in sustaining the activity in question.



Yes- Organization uses Profit first



Create and file 1099s with QuickBooks Desktop



Yes- 1099 required to be filed ▼

Indirect taxes Applicable

US- Sales tax- ▼

Suggested to create and import budgets into QuickBooks /Xero or other accounting software

Yes



Forecasting Report

The Forecast Overview Report tells you what your company's monthly forecasted income and expenses are for a particular time period that you select.

4 types of financial forecasting



- 1 Sales forecast:**
Projects your sales for at least three fiscal years
- 2 Expense forecast:**
Shows expected expenses that businesses incur performing their normal business operations
- 3 Top-down forecast:**
Takes the market outlook as a whole to project future estimates of the company
- 4 Bottom-up forecast:**
Takes the historical data of the company and works up to the whole market outlook

Yes- recommended for client



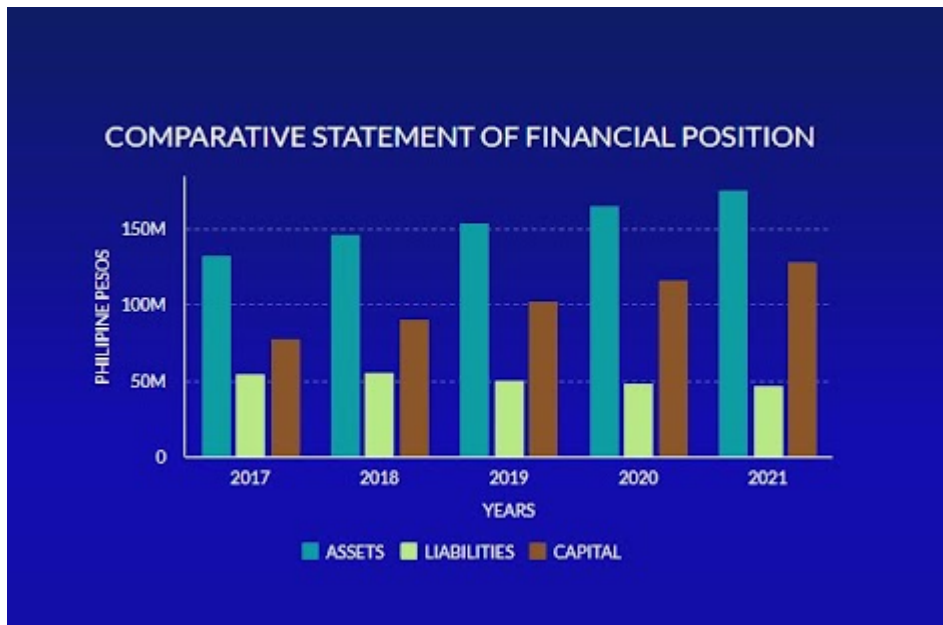
Required Cash flow statements

A cash flow statement is a financial statement that provides aggregate data regarding all cash inflows a company receives from its ongoing operations and external investment sources

Yes- Should make monthly cash flow statements ▼

Statement of financial position

The statement of financial position is another term for the balance sheet. The statement lists the assets, liabilities, and equity of an organization as of the report date. As such, it provides a snapshot of the financial condition of a business as of a specific date



We shall prepare detailed statement of financial position on Monthly basis ▼

Detailed Income statement

An income statement is a financial statement that shows you the company's income and expenditures. It also shows whether a company is making profit or loss for a given period. The income statement, along with balance sheet and cash flow statement, helps you understand the financial health of your business

We shall prepare a detailed income statement and submit on a monthly basis ▼

Reconciliation of balance sheet accounts loan accounts and other accounts

Loan reconciliation is the process of analyzing loan product data such as total files, files receive, files not received, status, etc.

Yes- There are multiple accounts on balance sheet to be reconciled ▼

Additional bookkeeping things to be taken care of



I note that you want to ensure that receivables are followed up on a timely basis and we shall ensure follow-up of receivables with QB online on a timely basis.

This form was created inside of Meru Accounting.

Google Forms