



Realizing Profitable Potential through Change

11 Expectations for Your Bookkeeper (That will save your business)

1. **It's the little things that count.** You need someone who is going to be able to focus on the little things; which will enable the big things to take care of themselves. You don't have time to baby-sit them, they need to be able to take charge and take care of all the little things that need attention for the basic financial operations.
2. **Basic understanding of bookkeeping/accounting terms.** They should have a basic understanding of the difference between the five basic types of accounts (Assets, Liabilities, Equity, Income, and Expenses).
3. **Understanding of the big picture.** When you buy a piece of equipment, do they understand the concept between setting up the asset and liability accounts? Do they know how to allocate the payment to interest expense and liability principal reduction?
4. **Willingness to follow through.** You want someone who will ensure that projects and questions are followed through to completion. They need to be responsible for the follow through as you'll be too busy to be the one in charge of project completion.
5. **Monthly financial statements should be available by the 10th of the following month.** The three basic financial statements include Balance Sheet, Profit/Loss Statement, and Cash Flow Statement.
6. **Proper project costing.** It's important that they are tracking all the costs by item and project detail. Project costing is critical to the success of knowing how much your projects are truly cost. You have to be able to depend on their information to be reliable.
7. **Lifelong learner.** They should be committed to continuing education to enhance their skills to ensure that they are staying up to date with the skills that your business demands.
8. **Good communication skills.** If your bookkeeper doesn't understand something, they've got to be willing to ask for clarification and help.
9. **Computer literate.** The days of doing it by hand are long gone. You must have a computerized bookkeeping system to be able to get quality reports. QuickBooks® is popular software and it's easy to find group and individual training to help them with their learning curve.

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10. **Understanding of the basic industry.** While this is something that can be learned, you'll be miles ahead on the learning curve if they have a general understanding of your industry.
11. **Commitment to the business.** Don't let your bookkeeper "squeeze" these responsibilities into their personal life. This is one of the biggest issues I see with many small businesses. They allow their bookkeepers to do it whenever they have time...you are enabling them to put your business at the bottom of their "priority" list.

If you want your company to truly function in a profitable way, it is critical that you set the expectations for your bookkeeper. Good financial records are fundamental to the success of your business. If you can't rely on your books, then how do you know where your business is headed? No business is too big or too small...everyone has to have good financial fundamentals for ongoing success. 9 out of 10 businesses go out of business because of poor financial management. Don't let your business be a statistic. Set the expectations for your bookkeeper so that they'll be a successful part of your team. You'll be setting your business up for success!

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