

**How to Open your Own
In-Home Bookkeeping Service**

2nd Edition

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Authors Note: If those of you who notice a typo or grammatical error here and there, my apologies. I’m only human. Each publication does go back through an Editing process, and I cannot guarantee that all misspelled words are caught. Not even my Fraud Legal Library is free from an occasional typo. Some Excerpts and Chapters from this book are pulled from the original book “How to Open Your Own In-Home Bookkeeping Service”. Published and written by Julie A. Mucha-Aydlott.

Dedication

To my Mom Beverly Mucha, who has paved the way for me with her strength, ambition and giving heart. An incredible woman who has taught me so much! I admire her more than she could possibly know. Everyday I pray for the strength to help me through this tough time, and everyday I am grateful to have been blessed to have such a wonderful mother as you!

Not a day will pass by that I haven't thought of you many times.

About the Author

Excerpt portions from Computerized Bookkeeping in Laymen's Terms © 2003

In 1994 I opened my own Accounting Service because I, like many other aspiring individuals cannot work for someone else. I work well with others, but require the respect and freedom that Self-Employment brings. With over Fourteen years of Accounting Experience, I have gained the respect and drive that I have searched for. I am not going to write this bio in a third person. I am writing this to you as if I were sitting at your office teaching you my secrets on opening and running a successful bookkeeping and accounting service. I am not your typical Accountant. I don't believe in the intimidation factor. Just because you have a title that deals with numbers and money, doesn't mean that you need to confuse or intimidate your clients. I do claim to be an expert in my field of discussion because I have set-up, cleaned up, and made into perfection my clients wishes with their books. I am an entrepreneur of sorts, and between writing these books, servicing my clients and raising my girls, I have changed a good portion of the accounting that I offer. I have always been a more analytical Accountant instead of so systematic that it's no longer fun. Fun, what kind of a sick person would even think accounting is fun... You do because you're buying this book! I am much more self-rewarded with investigating financial crimes so I have chosen to complete my studies to become a C.F.E. (Certified Fraud Examiner). So in the mean time, here is my brain in updated versions of the first book in which I was very proud to have so many people find useful! My complete best wishes to you and your success.

Julie A. Aydlott

Table of Contents

| | | |
|-------------------|--|-----|
| Introduction | | 6 |
| Chapter 1: | Where to Begin | 9 |
| Chapter 2: | Sales and Marketing | 24 |
| | ✓ Valuable Contacts | 24 |
| | ✓ Selling your services | 36 |
| | ✓ Marketing Resources and Ideas | 41 |
| Chapter 3: | Bookkeeping Services | 49 |
| | ✓ Service Types | 49 |
| | ✓ Other Accounting Services | 53 |
| | ✓ Going Rates | 56 |
| Chapter 4: | Step by Step Instructions for Monthly Bookkeeping Requirements | 66 |
| | ✓ Setting up a Balance Sheet | 66 |
| | ✓ Accounts Payable and Receivable | 73 |
| | ✓ Payroll | 78 |
| | ✓ Bank Reconciliation | 81 |
| | ✓ Financial Reports | 84 |
| | ✓ Audit Preparation | 85 |
| | ✓ Work In Progress/Job Costing | 88 |
| | ✓ Training & Consulting | 89 |
| | ✓ Budgeting | 90 |
| | ✓ Year End Accounting | 91 |
| | ✓ Record Keeping | 96 |
| | ✓ Sample Reports | 99 |
| Chapter 5: | Preparing Taxes and Depreciation | 116 |
| | ✓ Your own business return | 116 |
| | ✓ Offer Tax Preparation Services | 119 |
| | ✓ Estimating Taxes | 124 |
| | ✓ Depreciation | 126 |
| Chapter 6: | Common Questions | 128 |
| | ✓ Educational Requirements | 128 |
| | ✓ Mistakes to Avoid | 132 |
| | ✓ Problem Clients | 136 |
| Chapter 7: | Forms | 143 |
| Chapter 8: | Additional Resources | |
| | ✓ Helpful Phone Numbers and Web Addresses | 164 |
| | ✓ Coupons and Promotions | 166 |
| | ✓ Leading Payroll Company Locations | 168 |
| Index | | 181 |
| Glossary | | 184 |

Introduction

If your interest is to open an In-Home Bookkeeping or Accounting Service, your decision to purchase this book may be one of the smartest moves you've ever made! This book holds the past ten years of my mistakes, successes and stresses. It's easier for me to say this because I'm sitting at the other end of the computer writing this to you, but the only honest hardworking approach that you're going to get is by getting inside someone else's head to see what they've been through. I have recently just celebrated 10 years in business. That means that I have not had to ask someone else's permission to go home sick, pick up my children or beg for a vacation. I guarantee you this though; it is hard work! Nothing comes easy, and I'm not going to tell you that it's a cakewalk. You have to dedicate yourself to your success otherwise the next person who purchased this book from me is going to beat you to the punch. I decided to write a second edition to the original book with a few things in mind. I get an incredible feeling of accomplishment when so many of you have purchased my books send me updates and emails to let me know how you're doing and how much the books have helped. I know I can add updates and additional information that I have learned along the way, and asked many of you for any unanswered questions. This book is going to have additional items on services, marketing, and the biggest question that you ask me, is "What to say to get a client". There will be a lot of the same Chapters in this book as with the first one, no need to re-invent the wheel! For those of you who are just tuning into me, and my personality, I tend to be on the honest, fun side, so if my humor comes out, sorry, I can't help it. I guess that is what makes me different than the next guy. You don't need to be uptight and impersonable. This world is too short, and I intend to live it my way, just remember, you only get one life so make it a good one. Most of you who searched the Internet to find me have also found other businesses out there that tell you you're going to make millions instantly, and the fine print has a hefty price tag attached to it. There are a few websites out there that offer up on opening your own bookkeeping service. My books have been around for over five years, and I'm not going through a publishing house that likes to exclude reality. So

everything that you read within these pages are as truthful as they are going to get. I was just like you in 1994. I was scared to death. I knew I couldn't work for anyone. I hated being labeled and not in control of my life. Not everyone can be self-employed. It takes a rare, dedicated individual with ambition and guts to take the leap of faith and just do it. A good number of us didn't quit our day job until we had enough to make it to the other side. But then guess what, when it's 3:15 in the afternoon, and I being a needing exercise to relieve stress kinda gal, am going to go running because I can. I can write myself into my calendar, I make myself an appointment at 3:15 to run 2 ½ miles to relieve my tension build up. How many can say they have the ability to add themselves to their list of duties without being told no. I am not a motivational speaker, but I do hope to open your eyes to your goals. No one can reach them but you. If I can give a little push, then my job is done.

In this book, you will learn the necessary tools and information to open and successfully operate your own bookkeeping service. If you are starting your bookkeeping business without any knowledge in the accounting or bookkeeping industry, you will need additional educational resources. This book is geared towards individuals who will have a basic understanding of bookkeeping, and was written with the "How did you do it?" questions in mind. There are many great educational resources to enhance your knowledge and service ability. This book is written to guide you in what you need to do as a bookkeeping service. I have included the Certification Application from the American Institute of Professional Bookkeepers along with their contact information plus contact and class information for an online accounting school. If you are not confident with your bookkeeping skills, the AIPB (American Institute) website has a free bookkeeping test. Take the test, see where your skills are weak, and focus on that area.

With this book, you will learn how to set up accounting books, starting with your own. You will become much more effective with your work habits, and build a confidence that you never knew you had! I don't know how many times I got butterflies in my stomach at a job interview. Not knowing if I said the right

thing to get the job, and knowing that I always had to get backed into a corner from a boss who was on an authority trip. When you work for yourself, you represent yourself, and when you walk into a potential client's office, you are not afraid of an "interview", you are the interview because it is your future and goals that you are striving for. You show the client what they need in their accounting department to more effectively and efficiently run their business. Your confidence and self-esteem can grow so high! No more sitting at work wondering what it would be like to be "your" own boss? You have taken the first step to make valuable and important decisions about your future, rather than having someone decide them for you! You can decide when to make your appointments, and go to that Christmas play that your child is in without feeling guilty from a boss who doesn't agree with families coming first!

I have developed my skills and experience over the past 14 years, which has made me and my business who I am today. Most associates and clients find my down to earth approach easier to understand and feel more comfortable with. Some people have not. I have found that the ones who have not are the ones who can't look outside the box and don't like someone like me who is carefree to change the rules. I have changed the rules because I can, and you, the ones buying my books appreciate the "as a matter of fact" honesty that you're looking for. I'm not an Infomercial that promises instant millions, nor a politically correct author who writes what I'm told by making it "stay in the box". You want to know! I'm opening you up to my brain without covering up the important questions, the ones that no one else likes to answer. I must be doing something right, 10 years later and I'm still not punching someone else's time clock!

Gather your ideas and thoughts, have a nice pad of paper handy because you need to record what is happening in your brain as you begin to read this book and get your own ideas.

Chapter 1

Where to begin

A successful business owner always learns from their mistakes! Everyone makes them, and I'm going to show you how to avoid them! Make sure you take notes and mark off the items you complete!

- ✓ Select a name for your new company. If you chose a name associated with your name whether it is your first or last, you will not have to pay additional charges for filing a "Fictitious Business Name".
- ✓ If you select a company name such as "A-1 Bookkeeping", you will have to go to the City you're located in and file a fictitious business application. Along with the application fee, usually around \$25.00 depending on the city you live in, you need to publish that name in a local newspaper as well. A Fictitious name is usually good for 5 years, check with your city government office. It should say how long it's active for on the application. You will normally get a renewal notice in the mail when it's time to renew. If you do not renew the name and you are using an expired name, someone else can come along and use your Companies name. It is like Incorporating. The state requires you to do a search for the name that you wish to use to make sure no one else is already using that name. If you end up using someone else's company name and they find out, you can be sued. Normally it would just turn into a Cease and Desist. "Quit using it or else threat".
- ✓ Apply for your City Business License. You must have this to operate your business out of your home. A City License usually costs \$25.00 and will renew every year on your anniversary date. Contact your local City government office to get an application for your business. (If you rent your house, you must get permission from your landlord to operate a business out of the home, you need to do this to keep everything legal) Have your landlord sign a letter stating that they are

aware that you are operating a business in their home, and that they agree with it. Some Local City offices may not require you to obtain permission to operate a business out of your home even if it's rented, but this day and age when people are so sue happy, it might be in your best interest to do it anyway just for your protection.

- ✓ Once you receive your business license, you can open a checking account at your local bank. Since you are just starting your business, select an account with low activity and no monthly service fee. They do have programs available. When your activity increases, they would be happy to switch your account program to suit your business. Instead of paying over \$50.00 for checks from your bank in that nifty little checkbook, remember you are going computerized! Pass on the checks from the bank and order computerized checks. You can order 500 computerized QuickBooks or Peachtree checks from a company called Checkfamous. Their website address is www.checkfamous.com. Even Intuit® can't beat their price of \$49.95!
Build a relationship with your bank, especially the "New Accounts" manager
- ✓ Learn how to set up your own accounting software! The best place to start is with your own business. There are two software programs that I recommend. Most of your clients will request or already use QuickBooks Pro® because of the ease of understanding the software. If you go with the lowest end version of QuickBooks, it's still very basic bookkeeping. Their software has become much more complex for the client so it is more work for you the bookkeeper to train the client on all of its functions. Which brings you back to the client to keep billing them, but also can frustrate the client because lack of understanding.
 - The most widely used software of course is **QuickBooks Pro®**. The majority of the CPA Firms use this program because it is easy for their clients to operate. Learn the program inside and out! I guarantee you will be approached by clients to train employees on how to successfully use the software as well as "setting up" your clients software and complete accounting system as well. **QuickBooks Pro®** is around \$199.95, but before you buy the software you need to understand the difference between what version of software you need to

use for your clients. Order and install the Trial Software from Intuit's QuickBooks Pro® website at **www.quickbookspro.com**. You have 15 uses on this disk. After you are comfortable with the software, and have set up your companies accounting, I suggest that you apply to become a QuickBooks Pro Advisor. The software will be included in the dues for becoming a professional advisor, and you will get all of the benefits of being a Pro-Advisor, like client referrals. You can sign up online at:

http://www.intuitadvisor.com/expand_practice/qb_advisor/index.html

- Or call their toll free number located in the important contacts in the back of this book. Quicken® Turbo Tax® and QuickBooks® are a registered trademark of Intuit®.
- If you order the full software online, it would benefit you more if you signed up for the Pro-advisor program with QuickBooks Pro®. It costs around \$299.95 to sign up, and take the test. It provides you with discounted rates on your software for your clients, along with putting your name on their websites contact distributor list. You can also become a Certified Pro-Advisor. This test costs around \$529.95 which includes the software, Top of the list on their website contact pro-advisor lists, and you get to use their trademark name for a Certified Advisor.
- What version of QuickBooks® is important for your service? In the services lesson I will be more detailed on what the software can do for you and your clients, but for now, it is important that you know what type of service you want to provide. If you are going to “service” your clients at their office, then the less expensive version of QuickBooks Pro® would be adequate for your needs at your own office. If you will be working via remote access which is the best time saving tool because of commuting, there are two options that you must use. QuickBooks Pro® has gotten much more expensive because of the possibilities with the software. It is worth the extra money for the convenience. The software is growing with the clients needs rather than the client outgrowing the software within a few years. For remote access, you will need the Premier Accountant Version of

QuickBooks Pro®, \$379.95, this edition is not network ready, but Intuit® is working on it as we speak. Your client will need the Premier Edition \$379.95 for one user, this version is network capable with up to 5 users simultaneously on the computer at one time \$799.95. If they were already a QuickBooks Pro® user, the upgrade is \$649.95. As a Pro-Advisor, you can get the software for your clients at up to 20% of suggested retail price. Remember though, when you become a Pro-Advisor, the Premier Accountant version of software is included in your advisor package

- Second software is Peachtree®. In times past, Peachtree® used to be more integrated for the CPA and Accountant rather than the client. It was difficult to understand and to use unless you understood accounting. They have upgraded the software to become more compatible with the end user. It is much easier to use and to understand. If you have clients that book inventory and are in the manufacturing or retail business, Peachtree® will be the best software to use hands down. The inventory portion of their program is above all the others in keeping consistent and accurate inventory values and totals. I also really appreciate the way Peachtree® will close out the accounting month and force you to switch months before you can change any prior data. That is very important especially if you have clients using the software who like to go back and change things, ei making your Year-End Balance Sheet no longer equal the Corporate Tax Returns Balance Sheet. However, Peachtree® has not yet enabled you to import your journal entries and changes to your clients via disks, so you would have to do all your work at your clients office, which isn't a bad thing.
- Peachtree's® costs are very similar to QuickBooks Pro®, the regular complete accounting version is \$299.95, the multi-user version is \$699.95, and the lower end accounting version is \$199.95.
- You can also become a Peachtree Advisor. The membership fee is \$100.00, and is an annual membership. You sign up with the Best Software Accountants Network which enables you not to just limit yourself to only one software, they also train on Timeslips,