

10 Costly Bookkeeping Mistakes That Kill Cash Flow

A SIMPLE CHECKLIST EVERY SMALL BUSINESS
OWNER NEEDS



ELITE AID
BOOKKEEPING AND TAX SERVICES, LLC
Clear Numbers. Better Decisions

Brought to you by:
Elite Aid Bookkeeping & Tax Services

Helping small businesses gain clarity, confidence, and control over their finances.

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This guide is for educational purposes only and does not replace professional tax or legal advice.

Why This Checklist Matters

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They fail because cash quietly leaks out through bookkeeping mistakes, no one notices—until it is too late.

This checklist will help you:

- ✓ *Spot hidden money leaks*
- ✓ *Avoid costly errors*
- ✓ *Improve cash flow*
- ✓ *Make smarter business decisions*

If you have ever wondered “I’m making money... so, why do I feel broke?” this is for you.

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The 10 Costly Bookkeeping Mistakes Checklist

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1. Not Separating Business and Personal Finances

Mixing personal and business expenses:

- It makes tracking profits difficult.
- Causes tax reporting errors.
- Creates IRS audit risk.

Fix: Open a dedicated business bank account and credit card.

2. Skipping Monthly Bank Reconciliations

If you do not reconcile your accounts monthly:

- Errors go unnoticed.
- Fraud can slip through.
- Cash balances become unreliable.

Fix: Reconcile bank and credit card accounts every month.

3. Ignoring Cash Flow (Only Watching Sales)

High sales do not equal healthy cash flow.

You can be profitable and still run out of cash.

Fix: Track money coming in vs. money going out, not just revenue.

4. Poor Expense Tracking

Untracked expenses lead to:

- Lost deductions
- Inaccurate financial reports
- Overspending

Fix: Categorize expenses consistently and review them monthly.

5. Not Invoicing Promptly (or Following Up)

Late invoices = delayed cash = cash flow stress.

Fix:

- Invoice immediately
- Set payment terms.
- Follow up on overdue balances.

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The 10 Costly Bookkeeping Mistakes Checklist (cont.)

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6. Forgetting About Sales Tax Obligations

Sales tax money is not yours.

Spending it can cause serious penalties later.

Fix: Track sales tax separately and set it aside regularly.

7. No Clear Chart of Accounts

A messy chart of accounts leads to:

- Confusing reports
- Poor decision-making
- Tax filing issues.

Fix: Use a clean, industry-appropriate chart of accounts.

8. DIY Bookkeeping Without a System

“Doing it when I have time” usually means:

- Backlogs
- Errors
- Stress

Fix: Use a consistent weekly or monthly bookkeeping routine.

9. Waiting Until Tax Time to Look at the Numbers

Year-end panic is expensive.

Fix: Review financial reports **monthly**, not annually.

10. Not Getting Professional Help Early

Trying to fix bad books later costs more than doing it right from the start.

Fix: Get expert help before snowballs.

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Self-Assessment

Which boxes did you tick?

- 0–2: You are on the right track.
- 3–5: You may have cash leaks worth fixing
- 6+: Your cash flow is currently at risk, and you need to act right away.

Next Steps

Clean, accurate books do not just reduce stress they help you:

- Increase profits
- Improve cash flow
- Prepare for taxes
- Qualify for loans & grants
- Make confident decisions

Need Help Fixing These Mistakes?

At Elite Aid Bookkeeping & Tax Services, we help small businesses:

- Clean up messy books
- Set up QuickBooks correctly
- Track cash flow accurately
- Stay compliant and audit ready

Visit → www.eliteaidbookkeeping.com

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