



VIRTUAL PROFIT ADVISOR *and*  
CONSCIOUS WEALTH COACH

- GET BIZ LEGIT
- BUSINESS ACCOUNTS
- DIRECT YOUR FUNDS
- PICK YOUR FINANCIAL SOFTWARE
- PAY TAXES & YOURSELF

EASY FINANCES FOR CREATIVES  
IN BUSINESS

## GET BIZ LEGIT

Head to your Secretary of State and do a quick business search to make sure the name you want is available. If it is, you can register your business. Once you register your business with the state you operate in, get an EIN (employee identification number\*). Check your state website, or contact your accountant or lawyer to know what business entity you should register as\*\*.

*Don't have an accountant or lawyer? We'll walk you through the steps to getting one.*

### \*Who needs an EIN:

Someone who hires employees

Someone who sells alcohol, tobacco, or firearms

Corporations

If you are an LLC or sole proprietor you do NOT need an EIN

\*\*There are several types of business structures including Sole Proprietor, Partnership, Limited Liability Company (LLC), Non Profits, S Corporations and C Corporations. The most common types for single owner operations are Sole Proprietorships and LLC, but do your research before choosing one for your business.

**If you offer services or products then you are already a business! YAY!**

## BUSINESS ACCOUNTS

Open a bank/credit card/savings account under your business name. For tax purposes it is important to separate your personal and business finances. This will give you a layer of protection in the event of an audit. It will also save you time when you begin managing your finances with an online program by not having to sift through a large number of personal transactions.

**Opt for 2 savings accounts; one for tax savings and one for the gratitude account meant to reward your hard work and growing business**

## DIRECT YOUR FUNDS

Deposit all cash, checks, Venmo, Stripe, Paypal, etc. into your business account to properly track gross income.

Use your business accounts **ONLY** for business transactions including paying bills, debit card purchases, and business expenses.

Don't spend the cash... I know it's tempting.

Make sure all your money is hitting your bank account so that you can see your true revenue. You will want to make any purchases from this account as well. This ensures that you capture the deduction for tax purposes.

**Move subscriptions and other payments to the new bank account  
(or business credit card if you use that).**

## PICK YOUR FINANCIAL SOFTWARE

1. Keeping track of all your business income & expenses in one place.
2. Be more prepared for tax time
3. Know what your profit is
4. Ability to invoice clients directly from the program

**Quickbooks Online is my favorite program for small business owners.  
Refer to next page for some examples of business expenses.**

## EXAMPLES OF BUSINESS EXPENSES

### Cost of Goods Sold

- Materials used to create a product
- Direct cost labor
- Payroll taxes paid by employer
- Overhead for building where product is made

### Capital Expenses

- Certain start-up costs
- Improvements to buildings or grounds
- Business assets (computer systems, security, furniture, etc)

### Other Expenses

- Business use of home or rent for office space
- Office expenses (equipment, supplies, software)
- Cell phone/internet costs (used for biz)
- Membership fees (ongoing groups, small biz organizations)
- Advertising (online ads, website)
- Legal and professional fees (accounting, bookkeeper, lawyer)
- Professional Development (books, courses, trainings)
- Subcontractors (non-employee hired help)
- Business vehicle use
- Insurance
- Bank fees
- Other direct expenses to run business

## PAY TAXES AND YOURSELF

Send your quarterly taxes on time to avoid fees. You need your accountant for this part!

Transfer money to your personal bank accounts when you need it, or on a schedule (weekly, bi-weekly, monthly)

You can get your estimated tax schedule from your accountant or you can use your prior year taxes to estimate your schedule. You can also use your tax savings account to reserve money for taxes. As a general rule you can save 15% of your revenue or 30% of your profit (depending on how you look at your income).

Transfer money to yourself when you get a deposit to make sure you get paid before money leaves the business for expenses. I generally transfer 50-60% of my gross profit or revenue.

**Gross Profit is what you make after you subtract the cost associated with the production of a product (Ex. ingredients, packaging).**