



Secrets to Starting & Running Your Own Bookkeeping Business

Freelance Bookkeeping At Home

By Sylvia Jaumann

***SNEAK PEAK:
Sample Table of Contents and Chapters***

**Secrets to Starting & Running Your Own Bookkeeping Business:
Freelance Bookkeeping At Home**

By Sylvia Jaumann

Starting a bookkeeping business is one of the least expensive home-based businesses to begin. However, you may have a lot of questions about how to set up your bookkeeping business such as, "How do I find clients?" Or, "How do I keep track of all my clients' paperwork?" Or, "How much should I charge per hour?"

As long as you are a competent bookkeeper with several years of experience, you will be able to open your bookkeeping business very quickly with the help of this guide.

"I was impressed with the amount of information regarding organization—I consider myself organized, but there were a number of great hints for putting together customer files and developing binders that I hadn't considered."

Ed Mueller
Asset Bookkeeping Service

"I love the book due to the fact that it answered a lot of questions and concerns that I had in regards to starting and setting up my bookkeeping business. I now have a better understanding of how to become organized and how to promote and market my business."

Charlene S. Bey
All Bey Bookkeeping, LLC

"Your book was very instrumental and provided excellent guidance! By following your steps, I had my home office ready, so when I got my first client, everything was already set up."

Robin L. Brown
Daybreak Bookkeeping

**Copyright © 2006-2010 Sylvia Jaumann
All Rights Reserved.**

Reproduction or translation of any part of this work beyond that permitted by section 107 or 108 of the 1976 United States Copyright Act without permission of the copyright owner is unlawful. Requests for permission or further information should be addressed to the author.

This publication is designed to provide accurate and authoritative information in regard to the subject matter covered. It is sold the understanding that the publisher is not engaged in rendering legal, accounting, or other professional services. If legal advice or other expert assistance is required, the services of a competent professional person should be sought.

Table of Contents

Introduction 9

Chapter I: Getting Started 12

Personality Traits You Need to Have 13

Certification 15

Why Start a Bookkeeping Business? 16

Start-up Equipment 18

Accounting & Other Software 19

Computer 20

Printer 21

Desktop Calculator 21

Fax Machine 22

Telephone 23

Vehicle 24

Bank Account 24

Other Equipment 25

Insurance 25

Neighbors 26

Business Structure 26

Licenses and Permits 27

Naming Your Bookkeeping Business 27

Registering Your Business Name 28

Setup a Tax Account	29
Chapter 2: Creating Your Business	30
Choosing Your Target Market	31
Targeting New Businesses	32
What Makes a Good Client?	32
Your Bookkeeping Rates	34
Research Your Pricing	34
Offering Flat Monthly Rates	35
Bookkeeping Services to Offer	37
Other Services to Offer	38
Business Plan	39
How to Write Your Business Plan	40
What Your Business Plan Should Include	41
When to Quit Your Day Job	41
Exit Strategy	42
Chapter 3: Implementing Systems	44
Implementing Systems	45
File Systems	50
Computer File Systems	52
Backup Systems	54
Typical Bookkeeping Routine	56
Setting Boundaries and Office Hours	57

Confidentiality	58
Finding Balance Working at Home	60
Finding Your Motivation	60
Chapter 4: Marketing Your Business	62
Advertising	63
Branding	63
Sales Letters	64
Mailing Lists	67
Logo	68
Yellow Pages	69
Display Ads	69
Classified Ads	72
Craigslist	73
Referrals from Accountants	73
Joining Business Groups	74
Newsletters	75
Postcards	77
Website	78
Options to Consider Adding to Your Website:	79
Options to Avoid Adding To Your Website:	79
What Your Website Should Have	80
Marketing Kit	81

Chapter 5: Client Maintenance	83
Invoicing Clients	84
Credit Policies	84
Avoiding Late Payments	85
Forms of Payment	85
Retainers	86
Raising Your Rates	86
Tracking Billable Hours	87
Tracking Client Progress	90
Tracking Expenses	91
Reminder System for Government Remittances	92
Pre-signed Checks	93
Year-end Procedures	94
Posting Adjusting Journal Entries	95
Chapter 6: Tips for Running Your Business	96
Tips & Tricks	97
Monthly Bookkeeping	98
Doing Your Own Bookkeeping	100
Taking a Vacation	101
Virtual Bookkeeping	102
Helping Struggling Clients	103
Conclusion	104

Chapter 7: Getting Help	106
Sub-Contracting	107
External Advisors	108
Simply Accounting Training	108
QuickBooks Training	108
Peachtree Training	109
Bookkeeping Associations	109
Real Life Accounting	110
Bookkeeping Websites	111
Starting a Bookkeeping Business Books	112
Chapter 8: Interviews with Freelance Bookkeepers	113
Interview with Nicole Fontaine	114
Interview with Michelle D. Savoy	119
Appendix	124
Step By Step Plan	124
About the Author	126

Sample Book Chapters

Chapter I: Getting Started

Personality Traits You Need to Have

Do you find yourself wondering if you have what it takes to run a home-based bookkeeping business? Not everyone is able to work on his or her own and make a go of it. So, here are five personality traits you must have before you even think about starting your home-based bookkeeping business.

1. Self-Motivation

If you're the kind of person who needs to be told what to do, you'll find running a home-based business very challenging.

Being self-motivated means that you get up every morning and go to your home office just the same way you would if you were an employee.

Routines can help a great deal with self-motivation. Doing things like getting up at the same time every day; going into your office and turning on the lights, computer, and radio; even getting yourself ready as if you're going to work can all put you in the right frame of mind to begin your day.

2. Organization

With all the paperwork you'll be handling for your clients, being organized is critical to your business success. So if you find that paperwork gets scattered all over your desk or if you misplace things a lot, you'll definitely have to improve in this area.

Client paperwork obviously can *never* be mixed together, so proper handling and filing of each client's information cannot be overstated. Keep your desk clear and only have one set of client files out at a time. When you're done with them, file them away immediately...

Chapter 2: Creating Your Business

Choosing Your Target Market

While creating your business, you need to decide what type of bookkeeping clients you want to work with.

You could serve a broader market, but you'll find greater success if you home in on a specific target market. This will allow you to gain as much knowledge in a specific niche and therefore serve your clients more fully.

Some questions to think about when choosing your target market are:

- Would you prefer working with retail businesses?
- Do you want to specialize in a certain niche business such as a tradesperson or nonprofit?
- Do you like bookkeeping for small corporations or proprietorships?

The answers to these questions will depend upon your experience and your willingness to learn as you go.

For instance, you may have experience doing books for small retail businesses but want to expand and do books for a tradesperson as well.

You may be willing to take on a new tradesperson's books if you have some kind of resource or mentor (such as a bookkeeping associate or an accountant) whom you can rely on for assistance when you have a question. So take this into consideration as you decide what types of clients to look for...

Chapter 3: Implementing Systems

Implementing Systems

One of the first things you'll need to do when you're setting up your bookkeeping business is to plan how you intend to organize your client financial information.

You must have a system in place that will allow you to easily bounce between each client set of books so you know instantly where you left off and what needs to be done.

This is essential because frequently you'll need clarification from your client about bookkeeping transactions that took place. When you call them, sometimes it can take a while for them to get back to you. By the time you finally get the information you requested, you have to be able to pick up where you left off, without having to spend a lot of time analyzing the transaction in question again.

There will be times that you have a client calling you looking for specific information that you have to be able to put your fingers on at a moment's notice. Clients can be fickle; if they have to wait too long for information or suspect that you're in any way disorganized, they will quickly lose faith in you and potentially take their business elsewhere.

So how do you set up an organized freelance bookkeeping office? Keep reading for the tried and true methods that have worked for me.

First of all, I set up each client with a binder. At the front of each binder are Client Binder Sheets (see the examples on the following four pages)...

Chapter 4: Marketing Your Business

Advertising

Promoting your bookkeeping business is one of the most important tasks that you must do. After all, without clients, you don't have a business.

There are many methods of advertising. Some will work better than others. So make sure you mix and match and try out some of these methods.

Plan your advertising budget and break it down choosing a variety of advertising media. Do not skimp on your advertising budget.

Branding

Branding your business is more than just creating a logo. Your brand represents the impression that potential clients get when they think of your business. To create your brand you must understand your clients' needs and values. This is the professional image that you envisioned while you were writing your business plan.

Creating a brand for your business is not just for large corporations. Small home-based businesses need brand recognition as much as, if not more so, than big companies.

You don't need to spend thousands of dollars to create your brand, you simply need to be consistent and use it throughout your marketing materials. Branding is a combination of everything your bookkeeping business uses to present itself.

Here are a few important elements to branding your business:

1. Your logo, stationery, website and advertising should all look professionally designed and be easy to understand...

Chapter 5: Client Maintenance

Invoicing Clients

You'll find the most exciting part of being a freelance bookkeeper is creating an invoice and then receiving a check for it. Even though typing up invoices can be a bit tedious (as this is part of the tasks that you may do for clients anyway), it's very rewarding when you receive payment.

You can do your client invoices monthly, bi-weekly, or for whatever period you prefer. Some bookkeepers invoice right away when a job is complete rather than waiting until the next invoice period. That way rather than mailing them they can submit the invoice to the client at the same time they meet with them to discuss details and hand over paperwork.

If you have worked with a client for a while, you'll find that invoicing with a flat monthly rate (as discussed on page 34) will make it much simpler to create your invoices. You can even set up a recurring entry for this so it's essentially just a matter of printing the invoice.

Credit Policies

You will want to establish a credit policy to ensure that you receive prompt payment from clients. You can offer "30 days" on your invoices but as a small home business owner, you'll be better off if you state that your invoices are "Due Upon Receipt." Many small businesses require this, and there is no reason that you should have to wait thirty days or more to receive payment for your work.

Make sure your credit policy is stated clearly on your invoice and in your contract with your clients so there's no misunderstanding as to when you expect to be paid...

Chapter 6: Tips for Running Your Business

Tips & Tricks

Recurring Transactions

Use "Recurring Transactions" (Simply Accounting) as much as possible for items such as bank charges, loan payments, deposits, etc. Even if some items have different amounts each month (but use the same accounts), you can still store it as a "Recurring Transaction" and change the amounts as you're posting.

Use Excel

When doing bank reconciliations, if there are a lot of checks or deposits on your Check Register/General Ledger listing, an easy way to find them quickly is to "export" the listing to Excel. Do a "sort" and place your listing in numerical order going from the lowest figure to the highest. This can save you an enormous amount of unnecessary time hunting for the right amounts.

Cash Clearing

As you're posting your client's transactions, you may come across a deposit or check that you're unsure where to post. Temporarily post this transaction into your "Cash Clearing" account so you can still balance your bank reconciliation. Write the transaction down on a note so you can ask your client about it later. You can also file this note into the yellow "Current" file folder for easy retrieval later...

Chapter 7: Getting Help

Sub-Contracting

You may find that after you've been running your business for a while, you have too many clients for one person to handle.

Your choices then are:

1. To turn new clients away
2. To refer them to another freelance bookkeeper
3. To sub-contract the work out to another freelance bookkeeper

Obviously, you'll only make money with option #3. However, there are pros and cons of sub-contracting out bookkeeping.

Pros:

- You still make money.
- You get to keep a new client.
- Your business can expand and grow.

Cons:

- You are still responsible for accuracy.
- Your business reputation is on the line.
- You must find a competent bookkeeper and train him or her to do the books the way you do.

Finding a freelance bookkeeper to help you should be relatively easy. Look for new bookkeeping businesses who have just applied for business licenses. You can also use Craigslist to either place an ad or contact freelance bookkeepers who have placed an ad there.

If you do decide to sub-contract some of your bookkeeping to another freelance bookkeeper, make sure that you create a good contract that spells out exactly what is expected of each of you...



About the Author

Sylvia Jaumann, author of "Secrets to Starting & Running Your Own Bookkeeping Business: Freelance Bookkeeping at Home" has been a professional bookkeeper for over 18 years. Years ago, Sylvia decided to go out on her own and start her own bookkeeping business as she knew that self-employed bookkeepers make more money than employed ones.

But she found the going tough for the first year as she struggled with all the requirements needed to start a bookkeeping business and make it profitable. There was literally no information on how to start a bookkeeping business available at the time, so she had a lot to learn along the way.

She ended up sub-contracting for a professional bookkeeper just to make ends meet and discovered many tips and tricks to running a bookkeeping business that she didn't know before.

Sylvia took what she learned and turned it into the book you are reading now so that bookkeepers from all over the world can benefit from her experience and not struggle like she did.



I hope you've enjoyed this "Sneak Peak" into
"Secrets to Starting & Running Your Own
Bookkeeping Business.

To get the complete copy of this ebook,
order it [here](#).