

Bookkeeping Best Practices

Optima Accountancy Services Limited

Essential Guide to Business Bookkeeping

Good bookkeeping is the foundation of successful business management. This guide outlines best practices to keep your finances organised and compliant.

Why Bookkeeping Matters

- Track business performance and profitability
- Manage cash flow effectively
- Meet legal and tax requirements
- Make informed business decisions
- Prepare accurate financial statements
- Identify cost-saving opportunities
- Secure financing or investment

Core Bookkeeping Tasks

1. Record All Transactions

Record every financial transaction promptly, including sales, purchases, payments, and receipts. Don't wait until month-end.

2. Categorise Transactions

Assign each transaction to the correct category (e.g., stock, equipment, utilities). This helps with financial reporting and tax returns.

3. Reconcile Bank Accounts

Match your records with bank statements monthly. This identifies errors, fraudulent transactions, and ensures accuracy.

4. Manage Invoices

Issue invoices promptly with clear payment terms. Track unpaid invoices and follow up on overdue payments to maintain healthy cash flow.

5. Track Expenses

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Keep all receipts and record business expenses immediately. Separate personal and business expenses clearly.

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