

DOCUMENTS NEEDED FOR RECORD KEEPING

Certain documents need to be filed properly if you wish to maintain a proper record of your finances.

- Save all purchase, sales, payroll and all other receipts in a separate folder.
- Proof of income-bank, cash register bills and credit card receipts.
- Documentation of suppliers' receipts of all your buying and selling transactions. These receipts should also be filed separately.
- Keep documents related to business expenses. Small cash payments should also be recorded, and you should have a cash disbursement slip ready.
- Documents related to assets, fixed and variable should be saved so that it makes auditing and accounting easy.
- If persons are employed, keep employee payment records.

Record keeping is very crucial and helps you to maintain a clear idea of your financial standing at any given time. If help is needed with record keeping, please seek the advice of the Business Development Centre for assistance or training in keeping manual records or in the use of accounting software.

Please refer to the following brochures for further information

Am I an Entrepreneur?

Looking for an Idea? Here's How to Find One
Think You have a Business Idea? What's Next?

From Idea to Planning. Developing Your
Business Plan

Presenting a Winning Business Plan

Should I Do This on My Own? Choosing the
Right Business Structure

What is in a Name? Choosing the Right
Business Name

Location, Location, Location. It's All About the
Location

Jane, Jim or Jack? Who is the Right Employee
for You?



Record Keeping Basics



Business Development Centre

Frequente Industrial Park

Frequente, St. George's, Grenada

Phone: 473-444-1033-40 Fax: 473-444-4828

E-mail: gfdc@grenadaidc.com/nruffin@grenadaidc.com

www.grenadaworld.com



There are three (3) main financial records that should be kept:

THE CASH FLOW/CASH BOOK

The cash book is the final record of all the money that comes into and goes out of your business - often referred to as cash flow.

To complete your cash book, you'll need to collect and hold on to:

- ◆ Cheque book stubs, cancelled cheques.
- ◆ Bank statements.
- ◆ Copies of your own invoices.
- ◆ Receipts and delivery notes.
- ◆ Your suppliers' invoices.
- ◆ Receipts for all cash purchases, petty cash/float withdrawals etc.
- ◆ Copies of payments made or received using online banking systems.

THE BALANCE SHEET

A balance sheet is a financial statement which indicates the financial position of the business at a given point in time. It provides a snapshot summary of what a business owns or is owed - assets - and what it owes - liabilities - at a particular date.

A balance sheet shows:

- ◆ How much money the business has.
- ◆ How liquid its assets are - how much is in the form of cash or can be easily converted into cash.

- ◆ How the business is financed.
- ◆ How much capital is being used

THE PROFIT AND LOSS/INCOME STATEMENT

A profit and loss statement, often referred to as the income statement, is a summary of business transactions for a given period - normally 12 months. By deducting total expenditure from total income, it shows whether your business made a profit or loss at the end of that period.

TIPS FOR RECORD KEEPING

Update all records daily to prevent being buried under a ton of paperwork at the end of the month or at the end of the financial year.

- ◆ File receipts under the proper headings.
- ◆ Keep track of who gave you which receipt, when, and why.
- ◆ Keep a record of ALL expenses i.e. where and when you spend monies.
- ◆ If you own more than one business, keep separate records for each.

It is quite common for micro, small and medium sized businesses to ignore financial matters until the information becomes vital. Businesses fail by not maintaining their financial records and losing sight of where they are and where they are heading, leading to cash flow problems and equity issues.

In order to succeed in business, you need to keep track of all sales, proceeds, and turnover of your business.

