

# THE ULTIMATE BUSINESS ACCOUNTING SETUP CHECKLIST



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# HOW THIS IS A MUST FOR EVERY BUSINESS OWNER!!

Have you ever wondered if your original accounting software was set up correctly – Either by you or someone else? Do you continue to have the same issues over and over and cannot find a solution or reason behind the erroneous errors that continue to happen in the business accounting software? Do you continuously worry if you have given your bookkeeper, tax preparer, or cpa the correct information for tax filing? Do you really have all the correct information in your bookkeeping software?



**I have decided to share my personal cheat sheet of**

***“THE ULTIMATE BUSINESS ACCOUNTING SETUP CHECKLIST”***

Plus, as an added bonus - I am throwing in:

***My Accounting Equation Cheat Sheet***

## WHAT IS THAT YOU ASK?

Use this sheet to make sure you are using debits and credits correctly in accounting when entering/recording a transaction.

## WHEN IN DOUBT - ASK A PROFESSIONAL EXPERT

I hope The Ultimate Business Accounting Setup Checklist help ease some of the set-up headaches. If you have any questions -

PLEASE FEEL FREE TO CONTACT US.



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# THE ULTIMATE SETUP CHECK LIST

**GATHER ALL INFORMATION BEFORE BEGINNING  
TO SET UP YOUR ACCOUNTING SOFTWARE**

## COMPANY DATA

- Company legal name, address, telephone, fax, & email
- Federal EIN or Social Security Number
- State employer ID number
- State sales & use tax id number if applicable
- State Unemployment Tax id number
- Business Owners/Partners Names
- Local Business Licenses if required
- Fiscal year end
- Accounting Software (QB, Xero,) Start Date
- Type of Business
- Name of the income tax form that the client files (1120, 1120S, 1065, 990, 990-PF, 990-T, 1040)
- Accounting basis (Cash or Accrual)

## CHART OF ACCOUNTS

- Names, numbers, and descriptions for the chart of accounts
- Financial statements as of the end of the prior tax year
- Trial balances as of the QuickBooks start date
- Numbers and balances (from the start date through today) for the following types of accounts: bank, savings, credit card, loan, and lines of credit.
- Value of assets (including original cost and accumulated depreciation for fixed assets)



- Equity information including all owner's contributions, plus retained earnings for each year the company has been operating
- Budget for the fiscal year, if any

## VENDOR LIST

- Information to complete the Vendor list: names, addresses, other contact information
- List of 1099 vendors and their tax ID numbers (W-9 forms should be on file for all 1099 vendors)
- Vendor payment terms
- Shipping methods
- Vendor types
- List of outstanding bills as of the QuickBooks start date

## ITEM LIST

- List of all inventory, non-inventory, service and other items to complete the item list
- Price list for all items
- Inventory and non-inventory assembly numbering scheme
- Quantities on hand and values for inventory and inventory assemblies as of the start date
- Desired reorder points for all inventory items
- Taxable status for each item
- List of states in which the company pays sales tax
- Sales tax rates, sales tax agencies, and the sales tax liability as of the start date
- Frequency of sales tax reporting (monthly, quarterly, annually)
- Sales tax calculation basis (Cash or Accrual)
- Types of sales (wholesale, retail, out of state)

## EMPLOYEE LIST

- Information to complete the Employee list: names, addresses, telephone numbers, social security numbers, etc.





## FIXED ASSET ITEM LIST

- List of all fixed assets
- Purchase information (purchase cost, date, vendor, etc.)
- Asset account
- Depreciation information

## PAYROLL INFORMATION

- Determine 941 deposits (monthly or each pay period) state withholding, local withholding and unemployment tax (FUTA, SUTA)
- YTD information for each employee as of the start date
- Accrued benefits including sick and vacation time for each employee as of the start date
- Earnings, additions, and deductions for payroll processing (SEP, union benefits, 401 (k), reported tips, etc.)
- Employer federal, state, and local tax identification numbers
- YTD payroll liability payments



Easiest Way I found to remember the Accounting Equation

$$\text{Assets} = \text{Liabilities} + \text{Equity}$$

ADDE = Assets, Divends, Draws, and Expenses		
DR Debit	CR Credit	A - Assets
Increase Side	Decrease Side	D - Dividends
		D - Drawings
		E - Expenses

  

LRC - Liabilites, Revenue, & Capital		
DR Debit	CR Credit	L - Liability
Decrease Side	Increase Side	R - Revenue
		C - Capital

Use this sheet to make sure you are using debits and credits correctly in accounting when entering a transaction

*When in doubt - ask a professional expert*

