

QuickBooks Bookkeeping

THE
10 MOST COMMON MISTAKES

Everyone Makes

AND
HOW TO FIX THEM



For QuickBooks and QuickBooks Online

MATTHEW REMUZZI

QuickBooks Bookkeeping

The

10 Most Common Mistakes

Everyone Makes

And

How to Fix Them

For QuickBooks and QuickBooks Online

By: Matthew Remuzzi, MBA

QuickBooks has empowered millions of small business owners to take charge of their own bookkeeping- but that isn't all there is to it! Keeping track of the finances of a business is a critical job but it is easy to screw up if you haven't been taught the fundamentals of accounting- and very few entrepreneurs have! 98% of the books we review for clients contain at least one of the problems covered in this guide- most have lots of them!

This short guide will help identify the most common errors and how to fix them- problems that could have a huge cost in real dollars if not uncovered: overstated income, missed deductions and bad decisions made based on faulty numbers to name just a few. Take a few minutes to check your books and see if there is room for improvement and corrections- you'll be glad you did!

QuickBooks Bookkeeping
The
10 Most Common Mistakes
Everyone Makes
And
How to Fix Them

For QuickBooks and QuickBooks Online

By: Matthew Remuzzi, MBA

Visit: CapForge Bookkeeping & More (CapForge.com)

Copyright CapForge, Inc. 2017

All rights reserved. Permission is granted to copy or reprint portions for any noncommercial use, except they may not be posted online without permission.

Cover image Copyright CapForge, Inc. 2017

Accounting, Bookkeeping

Accounting- Education and Training

Accounting- QuickBooks, QuickBooks Online User Manual

QuickBooks, QuickBooks Online and Intuit are registered trademarks of Intuit Corporation.

The author and this book in particular is not, and does not claim to be produced by or associated or affiliated or endorsed (except as pertains to being a certified QuickBooks Pro Advisor) by QuickBooks, QuickBooks Online or Intuit Corporation.

Have Questions or Need Help Right Now?

Need assistance with something not covered here?

Contact us for immediate personalized help:

Email info@capforge.com any time or

Call **858-633-3573** M-F 8am-5pm PST

Or do you want a **free review of your current books**? Enter your name and email in the form at CapForge.com and we will immediately send info on how to get a free in depth review of your books (see more info on this at the end of this book).

There is no charge for the consultation and if we can provide a quick answer or solution, no cost at all. If it is more than that, we will give you a fixed price quote and guaranteed turnaround time in writing to fix your issue.

We can also provide fixed price quotes for catch up work, ongoing service and anything else you might need we can provide. For more information, visit our website at Capforge.com

Table of Contents

Table of Contents	6
Introduction	7
How to Use This Guide	16
QuickBooks Desktop or QuickBooks Online	19
Mistake #1- Not Reconciling Your Accounts	21
Mistake #2- Not Using Sales Tax Correctly	24
Mistake #3- Not Using the Chart of Accounts Correctly	27
Mistake #4- Not Handling Loans Correctly	33
Mistake #5- Not Including Credit Card Expenses	36
Mistake #6- Not Using Invoicing Right	39
Mistake #7- Not Doing Payroll Right	42
Mistake #8- Not Tracking 1099s	45
Mistake #9- Not Using Assets Correctly	47
Mistake #10- Not Using Equity Right	49
Bonus Mistake #11- Getting Way Behind / Trying to Do it All	52
Conclusion	56
Free QuickBooks Training	58
Free QuickBooks File Review	60
Get Immediate Help Now	61
CapForge Client Reviews	62

Introduction

Bookkeeping is one of the least popular tasks involved in running a small business - but it has to be done. It's the "going to the dentist" event of the business world!

And as I often hear from clients it isn't rocket science - but it can be difficult and time consuming and overwhelming and just generally not much fun!

So many small business owners, because they are reluctant to hand the task over to an employee due to the sensitive nature of the information, struggle to find the time to learn how to do it themselves. And they can make an OK start because of programs like QuickBooks that give novice users a starting point and some general direction on what needs to be done.

The problem comes, however, from not really knowing how the underlying fundamentals work and having a tool that lets you do all kinds of stuff wrong because it has no idea if you know what you are doing or not.

I have reviewed over a thousand small business clients' books and fewer than 5% of them had no errors at all (and that includes the ones done by "professional" bookkeepers!). The rest had things ranging from minor to so wrong you can't even begin to make sense of what is actually going on. Most fell somewhere in the middle- fixable, but I wouldn't want to use them "as is" to make any business decisions or pay my taxes!

It's this very inability to trust their numbers that cause most of our clients reach out to us. Either they know they won't get it right themselves from the start or else they have made a start but things just don't feel right- although often they can't explain exactly what it is that is going wrong. Or maybe they know the person they have doing it now just isn't doing it right but they aren't sure how to get it fixed.

That's why one of the most common things we hear from new clients is this: "I finally feel like this **weight has been lifted off my shoulders!** I knew it had to get done, but I didn't feel comfortable doing it - you've given me real peace of mind by taking this over!"

It's kind of like having the keys to a car but not knowing how to drive. You can probably get in, get it started and maybe even get cruising down the road. But if you've never driven before, and you are trying to read the book on how to drive while heading into traffic, chances are you're going to hit a few bumps. Or worse!

At CapForge Bookkeeping, we do our best to make the whole process as painless as possible. We take as much of the work out of your hands as you want and let you concentrate on doing what you know best - running your business - while we do what we do best - professional small business bookkeeping.

If you aren't quite ready to hand this off to someone else yet, then this short guide is your roadmap to avoiding the most

common mistakes we see over and over with people trying to do their own bookkeeping. These are all fixable mistakes, but the sooner you fix them and correct the problems, the better. An earlier fix is easier, and the alteration will have lesser repercussions.

You can also use this guide to check on the work of someone you may have hired to help you with this. You would be amazed (or maybe you wouldn't!) at how many people offering bookkeeping services have no idea what they are doing!

Or, worse, they are making things way more complicated than they need be, to either bulk up their hours billed or provide themselves with job security (hey- I am the only one who knows how to do your books!) Or even worse, they are possibly doing something even shadier (you wouldn't be the first business owner ripped off by the in-house bookkeeper).

With this guide in hand, you can run through your books and see if some or most of these problems are cropping up in your QuickBooks file.

Problem	Symptom	Fix
Not Reconciling Your Accounts	Your balances don't match reality and are way off	Get a good starting balance and then match entries to statement

Not Doing Sales Tax Correctly	Over or under balance owed compared to your POS report	Use built-in sales tax tracking correctly
Bad Chart of Accounts	Identical expenses going in different places each month	Clean up Chart of Accounts to make it easy to use right
Doing Loans Wrong	Only payments showing, no split for interest expense, no loan balance	Use loan accounts and reconcile with statements to split into two parts
Missing Credit Card Expenses	Overstated profit, payments to credit card but no detail	Set up credit card account, reconcile expenses and payments
Screwed up Invoicing	Customer balances not right, income overstated	Learn to receive payments and deposit funds correctly
Forgetting 1099s	1099s not filed because 1099 vendors not tracked	Get a W-9 from each eligible vendor and track in QB from start
Asset Accounts Wrong	Missing assets, missing deductions for expenses treated as assets	Understand how to use asset accounts and what goes in them

Equity Accounts Wrong	No equity or equity treated as expense	Understand how to use equity accounts and who they are for
Getting Behind, Doing it all Yourself	Books not started or way behind or way wrong	Get help, get them caught up and fixed, delegate!

These issues cover the majority of the main things we see go wrong in QuickBooks. Of course, there are all kinds of other headaches you can run into and while these minor problems are not covered here, if you do all of the above correctly, anything else that comes up should be a walk in the park.

What This Book is Not

As you may have already realized, from looking at the types of problems we aim to identify and resolve in the table, we are dealing with fundamental accounting mistakes, not one off glitches or minor unique problems.

This is not a guide on how to find the missing seventeen cents on your reconciliation or create a back dated credit memo or remove a default account in QuickBooks online. Those kinds of problems are real, but not the subject of this book and not the “big picture” issues that truly mess up your bookkeeping.

They are easy to get caught up in because that is the problem you are trying to solve in the moment, but they are only really

helpful to solve if you have already gotten everything else in order. If your account balances are off by thousands of dollars then your credit memo problem may not be as important an issue as you thought!

This book is also not a step by step guide to fixing all these issues. Because both QuickBooks and QuickBooks Online change so often and there are many different versions, it would be impossible to offer step by step directions for each variation. What we do instead is give you the information to identify the problem and the solution.

From there, you can find the details on the specific steps to accomplish the solution for your particular flavor of QuickBooks. If you can't, then you can always check in with us for some help.

Getting Help

If you do want help with anything (in the book or otherwise), by all means send us an email or give us a call. A lot of issues can be resolved in just a few minutes and don't require more than knowing the trick that solves the problem. Go to CapForge.com to find our email and phone number and get in touch right now - we're waiting!

Or go to CapForge.com and request a complete free file review to uncover all the potential issues in your books and use our info or our service to resolve them.

Let's be honest- I own a bookkeeping firm and I would love to grow my business, just like you would like to grow yours. So

part of the goal in producing this book is to introduce our services to potential new clients. But I am not a salesman and you won't get any pressure from me! I genuinely love working with entrepreneurs like you and I love to see them succeed. If I can provide some help by assisting with or taking over the bookkeeping then it frees you to focus other aspects of your business where you can make the best use of your time doing what you do best.

If I can help (and we aren't the right fit for everyone, which I will be the first to tell you if we can't provide what you need) I will give you a very good price and excellent service and if you don't feel like you are getting that then I want to hear about it! We worked hard to earn all those amazing reviews at the end of this book and that's the way we want to keep it!

You definitely can use this book to help you dramatically improve your books yourself. But in most cases, for most business owners, the better answer to your bookkeeping headaches is to outsource this work to someone reputable and reliable.

That way, you really can focus on adding more value to your business in other ways that only you can do - things like marketing, sales, training, growth planning and hiring.

Rather than spend time, energy and brain power on getting the books done (and hoping they are right), you can spend a small amount of money to make sure they are done right and on a

timely basis. You can then use that newly free time to add 2x, 5x or even 10x more to your business in sales and profits versus what you spend on the bookkeeping service.

About CapForge Bookkeeping & More

My name is Matt Remuzzi and I own CapForge, Inc., a San Diego, CA based business I founded in 2000 and incorporated in 2003. (You can find me on [Linkedin](#) - let's connect!)

I have a BA and an MBA as well as various bookkeeping certifications. I am a QuickBooks Pro Advisor (for Desktop and Online versions) and have been for years.

I have been working with small business owners for years, not just in bookkeeping, but in helping with every aspect of their business. I like to think I come to the table with a broad holistic approach to things, rather than just someone who wants to talk numbers. If you don't see the big picture, then I don't think the details in the accounting are going to make much sense or come with any point of reference.

The real strength of my company is not me but the team here at CapForge. Everyone who works here is not only a highly qualified accounting specialist, but also a great person who treats each client's business like it was their own. We strive to provide a great service at a great price in a timely manner so you can focus on your business. We want to help you grow and improve your business every month and we do that by making sure you are getting the most accurate and most useful financial information available.

I am proud of the work we do and I am excited to be able to help as many clients as possible succeed and thrive in their small businesses. If you ever have a question, comment, complaint or praise, I'd love to hear it!

I also want to demonstrate that it isn't just me that thinks we do a good job for our clients - it's our clients themselves who have great things to say about us! Check out some of the reviews they've posted for us at the end of this book.

How to Use This Guide

If you know for sure your books have problems, then use the chart above to see what kind of problem(s) you are having and what the solution is likely to be.

If you aren't sure what your problem is, but you think you might have one, then the best way to spot it is to go to the reports menu, select the Profit and Loss Standard report and select a time range that covers the last twelve months by month (or as long as you've been in business if less), and print it out.

Then print out a Balance Sheet report, with an ending date of the last day of the most recent month that has passed.

Then, in a nutshell- look for stuff that looks wrong:

On the P&L, look for:

- Negative income amounts (aside from refund or discount accounts)
- Negative expense amounts
- Amounts that are way higher or lower than you think they should be
- Accounts with contents you aren't sure of
- Amounts that are loan payments
- Amounts that are sales tax payments
- Amounts that are credit card payments

- Amounts that are payments to the owners or investors
- Anything that says payroll that wasn't an actual paycheck

These are all red flags that things have gone wrong.

On the Balance Sheet, check if you see:

- A bank balance that is negative or way off what it should be
- Accounts receivable balances that are more than you are actually owed
- An inventory amount that isn't really the value of your inventory
- Asset accounts that don't match the value of your actual assets
- Depreciation or Amortization that is MORE than the value of your assets
- Loan balances that are wrong (or missing)
- Accounts payable balances that are more than you really owe
- An opening balance equity account
- Any other number that looks wrong - you don't know what it is, or a negative number

If you spot one or more of these, there is a very good chance you are making one or several of the mistakes outlined above. Time to get busy working through these!

Go down the list. If you are doing it correctly, you don't need to worry about it. If there is an issue, mark it so you can come back to it. When you come back to it, make sure you understand how to correct it, and go as far back in your books as needed to fix it. It is easy to keep the books in order once they are organized, but until they are fixed, they are never going to give you usable or accurate information.

QuickBooks Desktop or QuickBooks

Online

These two programs are made by the same company to do the same thing, but for many operations they work differently.

QuickBooks Online is targeted mostly for do-it-yourself business owners. The desktop versions, which is what the original product started out as, is used by accountants as well. Most of the time, either one can get the job done, but how you get there is different.

There are also differences between the PC and MAC versions, and switching between these can be even more frustrating than between desktop and online. For business owners this usually isn't a problem. As long as you learn how to do something in the version you use, then it doesn't matter how it works in a different format.

It doesn't make sense to focus on the exact steps for some of these problems and solutions we are going to discuss because the layout and look of the software changes so often that step-by-step instructions could become obsolete and confuse more than help.

Fortunately, the general principles of accounting don't change, and certainly not the ones that revolve around the issues we are covering here. If you learn the concepts, the specific steps are easy enough to figure out, even if they change a little bit from version to version of the program or online interface.

For example- once you learn how to reconcile an account, you can keep doing it each month, even if they change the location of the button to start the reconciliation or the place where you enter the beginning balance and statement date.

Potential Money Saving Tip!

Side note- you may be able to **save yourself the monthly cost of your QuickBooks online subscription!** If you decide to outsource your bookkeeping to us and you don't need to regularly get into the file yourself, we can convert the file to a desktop version, which costs you nothing. You can then apply your monthly savings (as much as \$400 or more a year) to offset the cost of the bookkeeping service.

This becomes an even bigger savings if you manage more than one business, and have two or more sets of books. The desktop version can support unlimited business under one license, but online businesses each require separate subscriptions.

Mistake #1- Not Reconciling Your Accounts

Reconciling is the process of matching your transactions in QuickBooks with a source document- usually a bank or credit card statement.

This simple function is the way you make sure the balances you are seeing in your books actually match with reality. The longer you go without reconciling, the more likely it is the books are off- maybe way off, depending on how you do things.

One of the very first things we check with any new client is whether the books have been reconciled correctly or not. If the answer is no, 99% of the time there are mistakes in the books we have to find and fix.

If the beginning balance is correct and you have checked that all the transactions for the period are correct, your ending balance is correct and all is well. Some people don't bother to do this step because they assume that the downloads are already taking care of that. Surprising as it is, bank downloads are very often not quite correct and they may include duplicates, errors or missing items that can only be caught by a reconciliation.

If you aren't downloading transactions, there is an even greater chance of making a mistake and missing something or just typing an entry and not realizing it. If you have no way to check your work, you won't automatically see that kind of error.

Another way reconciliation goes wrong is in transfers between accounts. A transfer should only be entered once and include movement from one account to the other. Imagine this: you download your checking account and it shows all the transactions you made of moving money to your savings account. Then you download the savings account and it shows all the transactions of money moving to your checking account. You may have just duplicated a lot of cash in QuickBooks that isn't there in reality.

Most people think of reconciling as only being for bank accounts, but credit card accounts, lines of credit, Paypal accounts, and anything else with a starting and ending balance can be reconciled.

We always reconcile active accounts for clients and strongly recommend anyone doing their own books make it a regular part of their process. I can also guarantee if you don't reconcile your books there are errors- the only question is how big and in which direction.

On a side note- when you do reconcile, it should match! QuickBooks gives you an easy way to enter a reconciliation discrepancy- the difference between what it should be and what it is. But that only means you've got a problem you are ignoring, not that you fixed the problem! If you are regularly using the discrepancy account to cover differences, you may as well not bother reconciling in the first place.

And on another note- as you go through and find items that haven't cleared in a while- more than 30 days for a credit or

debit transaction or 60 days for a paper check- take them out because they probably aren't ever going to clear. Or at least investigate further to see what is going on. These items will reduce your balance (or inflate in the case of uncleared deposits) in QuickBooks so if they aren't real to the bank, they are only adding to the reason of an incorrect ending balance. Dump 'em.

Bottom Line Solution:

Learn how the reconciliation function works in your particular version of QuickBooks (use Google to search "How to Reconcile" and your version of QB and you will find videos, articles and more for your specific version) and reconcile each bank and credit card account each month. It is the only way to be sure that you have the correct transactions in and nothing has been missed, duplicated, typo'd or otherwise screwed up during the entry, whether by download or by hand.

Reconciling is fast and easy if you are doing it regularly and are keeping clean books. If you get stuck because you can't get the starting balance to match, if you can't figure out why the ending balance won't match or if you find yourself entering discrepancies every month, get some help. Once it is back on track, you can do it yourself or decide to outsource it.

Until the reconciliations are done, there is a very good chance your books have mistakes, and the more entries you have, the more that chance turns into a certainty.

Mistake #2- Not Using Sales Tax Correctly

Sales tax is a little bit of a tricky concept in accounting because although you get the money, you handle the money, and you deal with the money - **it isn't yours**. So you need to account for it as though it isn't and not lump it in with the rest.

The problem is the sales tax funds are mingled right in with your funds and it all looks the same. If you are creating invoices and collecting sales tax that way, it is easier to keep it straight. Make the appropriate items taxable and make sure when you pay your sales tax, you are reducing the sales tax liability account. There are lots of lessons online on how to do this correctly.

But what if you are collecting sales tax as part of credit card or cash sales- like in a restaurant? When you see the deposits in the bank, some of that money is really sales tax - but QuickBooks doesn't know that.

In this case, you first need to create a sales tax liability account. Then, at the end of the month (or week or whatever period you are working on), you need to make a journal entry to move whatever portion of your sales is sales tax into your sales tax liability account and out of sales.

For example, suppose your restaurant shows you have \$10,000 in deposits into your bank account for the week. You check your POS report and it shows you had \$10,500 in sales and of that total \$525 was sales tax. So now in QuickBooks, you move \$525 from sales income (where deposits normally go) to sales tax liability. Now QuickBooks will show you only have \$9475 in sales for the week. The sales tax is gone- not as an expense (sales tax

is not your money so it can't be an expense!) and won't artificially inflate your sales.

When you pay your sales tax bill, you write the check against the sales tax liability account so your balance goes back down.

The main things you don't want to do are A) include sales tax as part of your sales, or B) include sales tax as part of your expenses.

You may be thinking- if I include it in sales AND as an expense- won't it just wash out? Yes, but that isn't the right way to do it, and if you are in a place where you pay any local or state taxes (many, many places) on a revenue basis, you are now overpaying. Your revenue is being inflated by sales tax that isn't really revenue at all.

Bottom Line Solution:

If you are required to collect sales tax, make sure you have a sales tax liability account in your QuickBooks chart of accounts. Every time you collect sales tax, that amount goes into that account. Every time you make a payment, that payment amount should be coming out of that account.

There are lots of ways to accomplish this and it depends on the version of QB you are using, as well as the type of business you have. If you use invoices, setting up sales tax is easy and there are lots of tutorials you can find online on how to do it.

If you use a POS system, then you probably are going to use a journal entry to record sales tax liabilities. There are tutorials for this also but it can be a little tricky setting it up the first

time. The journal entry needs to credit the sales tax liability account and debit the sales account so that the sales tax is **not** part of the sales income. When the sales tax is paid, a new journal entry should record the debit to the sales tax account and credit the bank account the payment was made from.

If you need help getting this right, email us or give us a call!

Mistake #3- Not Using the Chart of Accounts Correctly

You can think of the chart of accounts as your accounting foundation, and a lot of people have foundation problems! The chart of accounts, or COA, is the list of places you can put your money.

The goal for your COA is that it should be as detailed as you need to give you quality information. At the same time, it shouldn't be bogged down in detail that doesn't add value but does add to the effort of doing your books. As you may have deduced from that, there is no one size fits all, standard chart of accounts (although sometimes people will claim otherwise).

The chart of accounts is always the first place I look when evaluating a new business client and it tells me a lot in a very quick glance. I can instantly see if the balance sheet account balances are positive or negative, how many accounts there are overall, how they are named, if they use sub-accounts, if they use account numbers and just overall how organized and logical it is.

A well-ordered chart of accounts that makes sense and is logical to anyone looking at it for the first time is a good sign. The messier it gets, the more likely it are there are errors buried in the numbers and problems that need to be accounted for.

Does it feel like your books take forever to do each month? It might be your chart of accounts- the messier it is and the less

efficiently it is set up relates directly to the time it takes to get your bookkeeping done. It doesn't have to be like that!

Since the COA is never going to be cleaner and more correct than when you start the business, this is the best time to ensure it is set up right.

The default COA from QuickBooks is a good place to start. You can modify sparingly to fit your business. The bigger and more complex the business, the more complicated your COA can be, although it doesn't necessarily have to be.

Here are the things we most often see wrong with the chart of accounts:

- Inconsistent use of account numbers. For the vast majority of small businesses, account numbers are not helpful and actually can slow you down quite a bit. They are a tool for big company accounting - "big" as in over 50 employees and millions in revenue with many different departments and managers, etc. If you do use them, use them using the QuickBooks function for them, not by just typing a number in front of the account name as this is impossible to fix except one at a time. And if you do use them, use an account number on every account, not just most.
- Old accounts. If you are no longer using an account, make it inactive or hide it. If you never used an account, delete it. There are a few QuickBooks won't let you

delete, but otherwise get rid of it. This is especially true of old bank accounts, credit card accounts or anything else appearing with a balance on the balance sheet. If the account is no longer active in real life, zero it out in QuickBooks and make it inactive.

- Too specific accounts. Meals and Entertainment is a standard account in most businesses. Some people want to split Meals as one and Entertainment as another- that may make sense for your business. But you never need an account named McDonalds for your restaurant expenses. You can have a vendor named McDonalds and you may eat there twice a day every day, but your account names should not name names.
- Specific dates. These should not be in your COA. For example, you can have an account called State Taxes but you don't want one called State Taxes 2014. When are you ever going to use it again? Anything that is going to expire of its own accord, only be used once or twice or is specific rather than generic, is almost always to be avoided.
- Too granular accounts. Office Supplies is a standard account in most businesses. Some people then create an Office Equipment account, thinking they will use that

when they buy a printer or calculator or something. This is already going to potentially trip you up, because where does toner go? It is used with the office equipment, but it isn't equipment itself, really. Now what if you added Office Expenses, Office Supplies Reimbursement, Office Printing and Office Supplies-Executive. How long would you have to stop and think about where to put an expense every time someone went to Staples? And would all this slicing and dicing actually help you figure anything out that would be useful? Not likely.

- If you can't instantly decide into which of two accounts something should go, you probably have too many accounts that are similar. Start merging, renaming and generally scaling back on your inclination to add accounts rather than pick from what you have. Just this one change can make a big difference in how fast you can do your bookkeeping. And the same thing goes for income, not just expenses. If you aren't gaining any useful info from splitting your income into tons of segments, don't do it. Especially if you already have the exact same info logged somewhere else. Fewer accounts is generally better.
- Using accounts incorrectly. If you are keeping track of loans in an equity account, using a bank account for a

credit card, tracking expenses with negative income entries or anything else weird, you are going to create headaches for yourself. Each account type works a certain way, and while you can force them to do other things, you are going to end up with very odd looking financial statements and a much higher likelihood of having errors in your books.

- Relying heavily on miscellaneous accounts. If you are dropping more than 10% of all your entries into uncategorized, miscellaneous or similar types of accounts on your first pass, you aren't doing it right. There really should be very few transactions that aren't easy to classify and only those handful should fall into the unknown account. Even 10% is really high - at the end of a year, well under 1% of your total expenses should be in this type of account and really it's better if none is left unclassified.

Bottom Line Solution:

Go through your chart of accounts with a fine tooth comb. Can you instantly decide what kinds of expenses go into what accounts? If you find places you hesitate, or which could go both ways, you probably just found a place you can consolidate.

If you see any of the issues listed in the bullet points above, be ruthless in simplifying and cutting out things you don't need.

A well-organized chart of accounts is going to make doing your books faster and more painless. And the opposite is true- the longer and more complicated it is, the harder and slower the books will be to finish.

Take the time now to edit names, merge two or more accounts into one and delete unused or seldom used accounts. Adding more is easy, so start with less and try to only add when there is absolutely no way to put something in any of the existing options. If you do this, your chart of accounts will become a solid foundation for the rest of your accounting.

Mistake #4- Not Handling Loans

Correctly

More than half of all small businesses have at least one loan of some kind that they need to track, but very few of them are set up correctly.

These could be loans to start the business, a loan for a car, a loan for equipment or even an SBA loan to buy the business in the first place.

No matter what it is for, all loans have several parts to them, most of which get skipped. In fact, there is the loan beginning balance, the principle repayment and the interest expense that need to be accounted for in the books.

The entire loan payment should never appear on the P&L (Profit and Loss Statement) unless it is an interest only loan. Otherwise, you are understating your income and in for a rude surprise at tax time!

The one consistently reliable piece that most people do record is the payment, since that comes through the bank and is visible. They are aware of it because they see it going out. But, that is NOT all there is to it.

Every loan should begin with a starting balance - the original amount you are borrowing and which needs to get paid back. If you don't have a starting balance, you will see a negative and ever growing amount on the balance sheet indicating payments are being made but they are not going anywhere.

Once the balance is in, if the number of payments are known and the interest rate is available, you can use a loan calculator to tell you how much of each payment is going to be interest, and how much is principle. Although just one amount goes out from the bank, it is really two parts and it needs to be split on the books. The interest portion is an expense, the principle is not. Most people enter the whole loan payment as an expense, thereby greatly understating their profit and maybe thinking they won't owe as much in taxes as they might once the books are fixed.

For example, suppose you are paying \$750 every month for a car loan. You might determine that \$600 of it is principle and \$150 of it is interest. If you were putting the entire \$750 as an expense, you would be understating your profit by \$7200 for the year. On the other hand, if you are putting it all to the loan balance, you would be missing out on \$1800 of deductible expense.

If you don't know the number or payments or the payment amount varies, the safe bet is to put the whole payment toward the loan balance. Then, once you get a statement from the loan holder showing the interest paid to date, you can split that amount out and enter it as an expense. Or you can do a ballpark split amount and make a final adjustment once you have the actual numbers.

Other errors we've seen include putting the entire loan amount as an expense! While this certainly knocks your profit down, it is not correct and won't likely survive a review by your tax

preparer. If you use the QuickBooks loan account type and follow the suggestions above you should come out right.

Bottom Line Solution:

If you have a loan, check it right now. See if you have a starting balance, and see if your payments are split between principle and interest. The principle should be applied to the loan account, the interest to the interest expense account and the current loan balance (starting balance minus sum of principle payments) should be shown on the balance sheet.

If any of these things aren't happening, get them fixed!

Mistake #5- Not Including Credit Card Expenses

Credit cards are an easy way for small business owners to access funds. If you pay off the balances, you can usually earn points and miles just for spending money you were going to spend anyway.

The problem comes when you don't include the expenses in the business. Very often we see payments made to the card or cards come through the bank and labeled as credit card payments but there are no corresponding expenses.

Entering credit card payments but not the corresponding expenses is **shortchanging yourself on deductions** you should be getting and overstating your income- not a good idea!

Amex is NOT an officially recognized expense account! In fact, to be clear, your credit cards should be set up as credit card type accounts, not expense accounts.

There is the very occasional exception to this rule I will mention first, and if this isn't you, then go right to the part about doing it right! I have a small handful of clients who have a card they only ever use to buy one thing- let's say Facebook ads as an example.

So each month I may see one or several payments to this card and the payment always goes to their advertising account (not the credit card account), because I know all they ever buy with the card is ads, and they pay it off so there is no interest and

there is no annual fee. So literally 100% of the card expenses is advertising and I can safely put it there.

This is an exception because very few people use a credit card like this. Most business people use their card to buy lunch, gas, supplies, airline tickets and all kinds of other things for their business. This is fine. But the expenses then need to be allocated to their various expense accounts. If all you have is a payment for \$2,000 to Visa, we have no idea how much of that should go to meals, to travel, to auto, to supplies and maybe even to interest or to personal draw. Not breaking it down is the problem.

The easy solution is to set up the account correctly, link QuickBooks, or use the download function and pull in the transactions and classify. That way, the expenses are tracked properly and in the month they were incurred. You won't just have a payment with no detail.

This becomes even more important if you aren't paying the card off, since you could be showing only \$4,000 in payments but actually have \$12,000 in expenses. You should be getting credit for those expenses but are missing from the books.

Bottom Line Solution:

If you have a credit card you use for business, make sure it is entered as a credit card account. Then make sure that the payments on the card are going to this account from the bank account you are paying them from.

For each expense that is charged on the card, make sure it is entered in the correct expense account. Each time you add a charge, the balance in the credit card account should go up by that amount.

If you look on the balance sheet report, the current balance on the credit card statement should match with what's on the credit card statement for the same date (plus or minus any pending transactions). If it isn't even close, or you see a big negative number, you've got problems!

You should be doing this for each credit card. When the statement comes in the mail or is available online, you need to use the same reconciliation function you are using for the bank accounts to reconcile the credit card accounts. This is the only way to ensure your entries are correct.

Mistake #6- Not Using Invoicing Right

There are two common mistakes (and then lots of less common - but still problematic - mistakes) people make with invoices, although invoices themselves are pretty simple.

An invoice is a request for payment for products or services or both. The trick with invoices is that as soon as you create one, it counts as income, even if you haven't been paid a cent.

The first mistake people make using invoices is that they create an invoice but they never collect the payment in QuickBooks. They may get a check or run a credit card for the invoice payment, whether paid in full or a partial payment, but they don't go through the step of receiving the payment in QuickBooks. They just deposit it. QuickBooks can sometimes catch this but all the stars have to align and you need a specific set of circumstances for this to be automated - the vast majority of time it won't be.

The problem with not connecting payments with invoices is that the invoices look like income to QuickBooks. This wouldn't be a problem, except the payments you are depositing for those invoices also look like income - counting your income twice. This makes the bottom line look good, but will be painful at tax time when you are asked to pay twice the tax you really owe!

The solution is simple - when you get a payment, make sure you receive the payment for the invoice being paid, rather than just entering it as a deposit. You'll know you did it right if, in the balance in the customer center for a customer's invoice, which you received full payment for, is zero. If it is positive, you didn't

receive the payment correctly and if it is negative, you received a payment without an invoice or for more than the original invoice was for and now they have a credit.

The second mistake people make with invoicing is that they do it when they don't need to be doing it. If you run a business where customers pay you at the same time they get their product or service, you don't need an invoice. You can use a sales receipt, or simply record the deposit.

Using an invoice when you don't need to isn't a horrible mistake, but it does mean a lot of extra work for no reason. It also increases the chance of making a mistake, because once you start using invoices, you have to complete the whole process correctly or now you've just created a mess.

Don't use invoices if you don't need to - there is enough to do in business without making extra work for yourself!

Other invoicing mistakes include not setting up and collecting sales tax correctly, using items wrong, and writing off bad debt incorrectly. These are problems that are more situation-specific, however, but difficult to dissect here.

Suffice it to say, if you look at your accounts receivable total on your balance sheet and the number makes no sense, you are probably making mistakes on your invoicing and you definitely want to fix that before tax time!

Bottom Line Solution:

If you are using invoices, go the Accounts Receivable Aging Report and look at your customers' balances. Are you seeing customers who have paid you still showing that they owe?

This means you aren't receiving the payments right. You need to receive the payments, so the customer balance goes down accordingly, THEN move the funds to the bank. If you already recorded the deposits without applying them to invoices then you have to go back and delete those deposits and re-enter them after they have been received. Sorry, no way around it!

If, like some clients, you've literally been doing it wrong for years, it may be faster and cleaner to start new books rather than go all the way back and try to fix years of mistakes.

Mistake #7- Not Doing Payroll Right

Paying payroll is one of the basic functions of having a business for a lot of business owners but it is also one of the more misunderstood aspects of small business.

The first mistake people make is calling things payroll that aren't. Unless you take payroll taxes and withholdings from a check and the person you are paying is an employee of yours and has given you a W-4 form, the check isn't a paycheck. Lots of payments to people get called paychecks that aren't actually paychecks. Maybe they should be, but they aren't!

The problem here is that if you are calling things payroll but not withholding taxes, not filing payroll reports and not paying the payroll taxes you owe then you are going to end up in hot water with the IRS and your state payroll department (unless you live in one of the few states with no state payroll taxes).

If you are paying someone to do work for you and you aren't creating a proper paycheck then that payment (and the person you are paying) might qualify for a 1099 (see the 1099 section for further mistakes!). If they really should be an employee but you aren't treating them as one that is a different problem.

Generally speaking, if you tell someone when to work, where to work and you provide them with the tools needed to do the work (a desk and computer or a tool belt and hard hat, the specific tools don't matter as much as who provides them) then

they are going to be considered an employee and you are required to give them a paycheck with taxes withheld.

On the other hand, if the person doesn't work at your location, decides when they will work and provides their own tools they may be able to be considered a 1099 contractor, in which case you don't have to give them a paycheck or withhold taxes. If they have their own business license, work for others besides you and provide their own insurance, you are on even more solid ground in not considering them an employee.

Once you have gotten your employees separated from your contractors, the next step is to be able to create real paychecks. You can do this in QuickBooks with a payroll subscription yourself or you can use a payroll service.

Some banks offer payroll service, but they frequently don't provide the filings that are required, they just generate the paychecks. There are also lots of full service payroll companies such as ADP and Paychex who can provide the full range of services but they are more expensive and also less flexible, particularly for small businesses where paying payroll is sometimes a juggling act.

CapForge offers full payroll service as well, integrated with our bookkeeping. The cost is less than the full service companies but more comprehensive than the banks or doing it yourself.

Whatever you do, make sure you follow all the rules. Failing to pay payroll taxes on time results in immediate penalties (one

day late is still late!) and not paying employees correctly can result in stiff fines from state labor boards- it doesn't pay to mess around.

Bottom Line Solution:

First, make sure you understand who is an employee and who is a contractor. The contractors should be set up as Vendors in QuickBooks and only true employees listed in the Employee list.

For the actual employees, make sure you are issuing them paychecks, with a gross pay amount, deductions and a net pay amount. The payroll taxes should be appearing in a Liability account.

When you pay the IRS and your state payroll taxes, the payment should reduce the liability account and show up as an expense on your profit and loss statement.

If you aren't sure you can get payroll handled correctly, on time, each month, plus do the quarterly payroll tax filings and year end filings, the cost of a payroll service is a small price to pay. When you compare it with the penalties and interest that will very quickly get out of control if you don't deal with them immediately having that taken care of will be a huge load off your mind.

Mistake #8- Not Tracking 1099s

1099s are issued to individuals or companies that provided you with services during the course of the year that added up to \$600 or more in total payments. Employees and corporations are exempt, as are product purchases. Some LLCs are exempt. Law firms are normally not exempt. The rules start to get a little tricky and change a bit every year on who qualifies.

But you can be well ahead of the game if you make a point of tracking who you are doing business with, considering if they may qualify for a 1099 and if so, requesting they provide you with a completed W-9 form.

The best way to get vendors to comply is to hold their payment until they provide you with the form. Since it only takes about 10 seconds to fill out, most people will get it for you immediately if it means they get their check.

If someone insists they won't allow you to issue them a 1099, then you have a decision to make. If you don't issue a 1099 to someone who is eligible, and still claim the expense (hey- I did pay him!) then you potentially run the risk of not being allowed to use that expense if your tax return is audited.

Issuing a 1099 is your proof you paid for the service and that the government should look for income taxes from that person, not you. If you don't issue the 1099, the government can claim the payment never got made (or you wrote a check but they turned around and cashed it and gave you the cash back), and therefore you owe income tax on the amount that expense was used to lower your net profit.

The reason this is an issue is because each year, 1099s are due to be filed by January 31st. But you won't have final payments made until (maybe) the end of December. So by the time the books are done for December, you may only have a week or less to get all your 1099 info together and filed. If your books aren't done, or you don't have your 1099 vendors identified ahead of time, it may not get done at all.

This is easy to do right from the start and a pain to catch up later. Yet very, very few of the clients we have were doing this correctly when they were doing it themselves or even when paying someone else to do it.

Bottom Line Solution:

Go through your list of active vendors and identify which ones are eligible for a 1099. If you don't have a W-9 on file for them, ask them for one now - before you issue them another payment. Mark their account as 1099 eligible in QB.

Some will take longer to get than others and some might not make it to \$600, but for those who do, your job will be vastly easier and you will be on the right side of the IRS when you can easily issue 1099s to everyone who gets one well ahead of the January 31st deadline.

Mistake #9- Not Using Assets Correctly

Assets have specific definitions in accounting, but most people don't realize what they are and this is where mistakes happen. Most people think of assets simply as "things I have" but that doesn't get specific enough for accounting.

Here are some rules of thumb when considering what should and shouldn't go into an asset account:

Fixed Assets: Generally speaking, these are things with a material value, a physical presence and an expected life of one year or more. A building is a good example of a fixed asset. It has a material value (usually \$500 or more is used as the cut off), it has a physical presence and it will last more than a year.

A bad example of something I've seen recorded as a fixed asset is a bag of fertilizer - the only thing it has going for it is a physical presence, but it doesn't meet the other two requirements at all. Likewise, office supplies, small tools, parts, and anything else that doesn't meet the requirements doesn't belong here. Another example of not a fixed asset is a patent. It may be worth more than \$500 and be around over a year, but it has no physical presence.

Fixed Assets usually include furniture, buildings and equipment. Other types of fixed asset that get their own accounts are vehicles (if purchased but NOT if leased) and tenant improvements. When you buy a vehicle, you put your purchase price in as a fixed asset. If there is a loan, the loan is entered separately as a liability. If you lease a space and invest money

fixing to your liking or rearranging it, the cost for that work can be tracked in a separate tenant improvements asset.

Other Assets: If it isn't a fixed asset, it may be an other asset. Patents, trademarks, licenses, franchise fees and other non-tangible items along those lines would fit here. Most small businesses have few to no other assets, so if you don't see any yourself it is probably fine. If you find yourself with tons of other assets, you either have an unusual business or you did something wrong.

Inventory: Inventory is a special kind of asset. It consists of things you have purchased for the business to resell, either as is or after you've assembled the pieces into finished goods. There is no dollar value requirement for inventory so you can have a \$.01 item that would be counted. Inventory does have time limits though - depending on what you are selling. If the chance of you selling your inventory has diminished to zero - because it is obsolete or out of style or spoiled - then you should adjust the value accordingly.

Bottom Line Solution:

Go through each of your fixed asset accounts. Move anything that doesn't qualify to the appropriate expense account. Add in any missed assets or move them from expense accounts to fixed assets if they qualify. Make sure the list of things you are tracking are ones you still actually own - the truck you sold last year and the inventory that is now worthless should be fixed in the books to reflect reality.

Mistake #10- Not Using Equity Right

Equity represents your ownership in your business. It is the section that comes after liabilities and just before income in the chart of accounts.

You will have different equity accounts depending on what type of business you have - sole prop, LLC, corporation, etc. You may also have more equity accounts if you have investors or other owners involved in the business, even if they aren't active.

These are some of the most common mistakes we see in the equity section:

- Not using the right equity account name. For each owner, in most cases there are two accounts: one for putting money into the business and one for taking money out. For sole proprietors, these are usually called owner equity and owner draw; for partnerships, partner equity and partner draw; for LLCs, member equity and member draw; and for corporations, shareholder contribution and shareholder distribution.
- Leaving a balance in opening equity. Opening equity is a QuickBooks default account that gives you a place to put a starting balance. But it isn't a real account! So we normally don't use it all it. If you do use it, then you need to make a journal entry to move the amount to where it belongs. The money normally belongs in an equity account, as it typically represents money

invested in the business by one or more of the owners. For example, if you put \$500 out of your pocket into your business banking account to get it started, that would go into an equity account for the owner who contributed it.

- Creating equity accounts for each year or for special withdrawals. As mentioned above, there should only be two accounts per owner. You don't want to confuse things by creating a new account for a given year, since they will stack up and make the balance sheet a mess. You also don't need to create new accounts or sub accounts if, for example, you take a draw specifically to cover taxes for the year you don't need to create an owner draw. Taxes account under your existing owner draw account. Where it goes after you pull it out is not part of the recording process. If you want to make a note, put it in the memo when you record the payment.
- Using equity accounts for loans. If you invest \$500 in your business, with plans to later pay yourself back that \$500, then it doesn't belong in equity in the first place. It should be set up as a loan from you to the business and then when you pay it back, fully or partially, you can record the payment in the same account to show the new balance owed, if any. If you do it as an equity investment and then distribution, you run the risk of the

distribution looking like income (and being subject to income tax) instead of a loan repayment, which is NOT income.

Bottom Line Solution:

According to the notes above, go through your equity accounts and make sure you are using them right. Don't have any equity accounts or haven't touched them since they were created by QB years back? Figure out where the money that should be going to equity is actually going and move it to where it belongs.

Is there still money in your Opening Balance Equity account? Now is the time to move that over to an owner's equity account. Do you have lots of equity accounts all tied up in the same person? Merge them together. Need help getting this sorted out? Shoot us an email or give us a call!

Bonus Mistake #11- Getting Way Behind /

Trying to Do it All

This is a different kind of mistake than the other ten, but it may in fact be the most costly! It comes in two forms: getting way behind and trying to do it all yourself.

The getting way behind problem is very common for a few reasons. The first is because most people don't like to do the bookkeeping part of the business and so they put it off. It isn't as fun as designing a logo or making a sale or finding the right space or even just updating your Facebook page.

Bookkeeping is at the bottom of most peoples' list of fun things to do, so they don't do it.

When they do get around to it, they find it is harder than they thought: it doesn't really make sense and it isn't as easy as clicking a few buttons, like they make it seem like it will be.

Most small business owners manage their businesses by looking at their checking account balance, so taking the time to translate all the rest of it into accounting doesn't seem as important on a day-to-day basis. By the time tax season rolls around, it's way too overwhelming to deal with.

The best way to handle it is to do it on a regular basis. If you can't seem to make that happen, then you need to find someone who can. The longer you let it go, the more difficult (and more expensive) it will be to get it caught up.

But letting it get behind isn't the worst of the two mistakes. The worst is trying to do it all yourself!

Many people try to make the time (even if they are behind) and do the best they can. They make some or all of the mistakes we've already covered because bookkeeping and accounting isn't anything they've ever learned how to do and there is no one checking their work.

This is where it can get expensive, because most tax preparers also don't know QuickBooks and they aren't checking your work for errors. They may catch some, the egregious ones, but many more may slip through the cracks. And this may mean you pay more in taxes than you needed to - sometimes a lot more!

I had one client **get a \$40,000 refund** because of bookkeeping mistakes. I know another larger company that was able to **knock \$1.3 million off their tax bill** because of years of cumulative bookkeeping errors! Don't think it can't happen - it can be that bad if you don't know what you are doing!

Even if you do it perfectly, you still may be costing yourself money by doing it yourself and not even realizing it.

Consider that the average time our clients spent on doing QuickBooks themselves was 6.5 hours per month. If they normally make \$20 an hour operating their business, then they just cost themselves \$130 - in most cases more than it would have cost to have it done professionally (by us, anyway).

But that only assumes they were making the average income during that time. Suppose they spent the 6.5 hours doing extra

marketing or extra sales or networking with potential new clients or training staff for better service or sourcing new products to sell or working on areas to improve efficiency and cut costs? Could any of those activities yield more than \$20 an hour?

If a new customer spends an average of \$200 and you can secure one or two new customers with that newly freed time, which was the better investment? (And we are assuming you are doing your books perfectly and they aren't costing you anything in mistakes!)

You can find a way to save \$300 a month or you can train staff to upsell 10% more on each interaction or you can find new products to add that can boost sales by 10% a month. Those are all much more valuable and profitable uses of your time than doing your own books!

For over 90% of our clients, their monthly **cell phone bill is more** than they pay us for bookkeeping. Hard to justify still struggling to do it yourself at that rate!

Bottom Line Solution:

Do yourself a favor and take a few minutes to find out what it would involve and what it would cost to delegate your bookkeeping to a professional firm. If it isn't right for you, then it cost nothing to find out.

If it is right for you, you just got yourself more free time, better results, a big stress reduction and a valuable all-around business resource for a very small investment. Nice going!

Email info@capforge.com any time or call **858-633-3573** now for a free consultation or go to CapForge.com and get a free file review and custom quote for bookkeeping. We look forward to hearing from you!

Conclusion

While we've tried to give you a good overall guide to where things generally go wrong, it is obviously impossible to cover all the different ways things can go bad. If you are doing the above ten items correctly, then the amount of possible errors and their seriousness should be fairly minimal.

Even if you are just reconciling all of your accounts you will have made a big step in the right direction in terms of getting your books done right.

But if you have let things sit for a long time, or you have been doing it wrong a long time, it may be tough to get it right again.

Sometimes the only way to get to a good place is to call in an expert and that is something we can provide. We can help you get your books correct, or in the occasional rare case, counsel you to start a new set of books.

From there, you can carry on with confidence or you may decide that you'd rather have someone else take care of things so you can focus on your business.

Either way, the consultation is always free and the fix may just take a few minutes in which case **it will have cost you nothing**. If you decide to go forward with more involved work, we will give you a fixed price quote and a guaranteed turnaround time, so you will know exactly what you are paying and when you are getting your work done so you can make the decision with confidence.

We work hard to make our clients happy (check out some of our reviews in the last section of the book for what our clients have to say about us!) and simplify their lives by taking this task off their hands and giving them peace of mind it is being done properly and in a timely manner. If that sounds good to you then by all means get in touch!

Free QuickBooks Training

If you are interested in getting more training in QuickBooks, for free, check out [CapForge.com](https://www.capforge.com) and submit your name and email. We will email you with the times and dates of upcoming free training webinars as they are scheduled.

We offer regular sessions of live training for both QuickBooks and QuickBooks online via webinar. You can attend from the comfort of your own home and watch as we run through the set-up, basic operations and tips and tricks for effectively using QuickBooks to manage your small business.

We run sessions at different times of day and days of the week so almost anyone can find a time that will work for them in the near future.

Custom One on One Training

We also offer paid one-on-one training sessions, if you want to learn the specifics for exactly how to use QuickBooks for your business. With one-on-one training we can show you how to do things with real examples from your bank, credit card, invoices, customers, sales tax, loan accounts and whatever else you want to know. You won't spend any time learning something you won't use, unlike in a general session and you can have as many people in on the training session, as you want for the same price. Plus, we can schedule it at a time that works best for you.

Best of all - our individual training **includes 30 days of free follow up** so you don't have to worry about remembering every question or covering all possible scenarios during training - we

can help answer those questions or show you something again after the training has ended. We also record the training session so you can have a video copy to watch and even use for your own future training sessions. To find out about our custom training, email info@capforge.com or call **858-633-3573**.

Free QuickBooks File Review

Pretty sure you've got mistakes but not sure where they are or if you are seeing all of them? Just want to get a professional review for extra peace of mind? We can do that!

For readers of this guide, we are offering a free, no obligation, in depth review of your QuickBooks file. We will send you a complete list of all the issues we see along with a proposal on getting them fixed and keeping the books updated from there. You can use our list as a starting point in fixing things yourself, or you can choose to have us do some or all of the work- it's entirely up to you and there is no obligation.

To get started, just go to [CapForge.com](https://www.CapForge.com) and submit your name and email in the form provided. We will immediately email you back directions on how to get your complete review, depending on what kind of QuickBooks you have. And of course you can add any questions, concerns or notes for us along with your file.

It's fast, easy, secure, confidential and best of all FREE!

Just go to [CapForge.com](https://www.CapForge.com) and submit. Done!

Get Immediate Help Now

Need assistance with something not covered here or just don't have time to fix this yourself and want to know what it would cost to have this all taken care of by professionals?

Contact us for personalized help or a quote, or both:

Email info@capforge.com any time or

Call **858-633-3573** M-F 8am-5pm PST

There is no charge for the consultation and if we can provide a quick answer or solution, no cost at all. If it is more than that, we will give you a fixed price quote and guaranteed turnaround time in writing to fix your issue.

We can also provide fixed price quotes for catch up work, ongoing service and anything else you might need we can provide. For more information, visit our website at CapForge.com

CapForge Client Reviews

Check out some of our recent client reviews below. For the most up to date list, check out [CapForge.com/reviews](https://www.capforge.com/reviews)

Rating: ★★★★★

Great & helpful! CapForge Bookkeeping Pros are pros that are incredibly professional and respond quickly to any questions, etc. I've been very happy working with them for over a year.

– Sara Foster, Sara SD Fitness

Rating: ★★★★★

We are huge fans of Matt and all of the CapForge team. They do everything asked of them in a quick, professional, courteous manner. They also offer much more than they have to provide. They give great advice and are very helpful to the overall operation of our business and its finances. We strongly recommend CapForge.

– Dylan & Jesse Bry, All-Star Imaging Systems

Rating: ★★★★★

Excellent and timely service. Matt is always available to support, clarify and answer any question I had. I recommend CapForge without reservation.

– Yousef Ghandour Founder/ CEO QTEK products

Rating: ★★★★★

Since hiring Matt and CapForge he has done a fantastic job with all my accounting. Not only is he more affordable than my last bookkeeper, but he does a better job and takes care of more things. I highly recommend their services.

– Roberts Dance Inc

Rating: ★★★★★

Capforge is a great solution if you need quality bookkeeping and Common Sense. Bookkeeping can be daunting and they make it easy and have great skills. Fantastic if you have a small business particularly a restaurant like we do. Thanks Matt!

– Alex, Allegro Bistro

Rating: ★★★★★

Very Happy with the Service! We hired CapForge a few months back and they have been instrumental in assisting with a smooth transition from our previous service. They are professional, reliable and have our books done early in the month.

– Kayvon Homayoun, Harland Property Management

Rating: ★★★★★

Our Perfect Solution! After a number of failed attempts at finding the right partner for our accounting needs, we were so fortunate to finally find Matt and his team. They are professional, personable, knowledgeable and affordable. We're able to focus on other areas of our business and have 100% confidence the accounting piece is in capable hands.

– Melissa, Minc Talent

Rating: ★★★★★

Great Service! This group of people are most efficient and prompt. Knowledgeable with good business practice. They have been very helpful for our business with timely processing of our accounts and keeping us updated with financial reports.

We will recommended Matt very highly.

– Roy Hotels, Inc.

Rating: ★★★★★

CapForge provides excellent accounting services. They respond to our questions quickly and clearly. We are very pleased with their services.

– Sharon Glassey, Glassey Smith

Rating: ★★★★★

Matt and CapForge are wonderful to work with and always delivers quality work. Matt is honest, very transparent, and always delivers on time. I highly recommend his work to anyone thinking of working with CapForge!

– Jonathon, Media Crowd

Rating: ★★★★★

Highly Recommended! After struggling with QuickBooks for a few years, I finally contacted Matt at CapForge and turned it all over to him. Best decision I ever made and only wish I had done it sooner! His fees are very affordable, his team is a pleasure to work with and they have always handled our accounting needs efficiently, timely and in a very professional manner. And, most importantly to me, Matt is always available when I need him to answer a question or run a report at a moment's notice. Since I

turned over the burden of bookkeeping to Matt and his team at CapForge, I can now focus on what I do best...manage and grow my business!

– Aleko Souliotes, Wellth Benefits

Rating: ★★★★★

CapForge is awesome!!!! Matt and the rest of the staff at CapForge are very responsive to all my last-minute requests. They're always on top of everything and the turn-around time to do whatever I've asked of them is usually a day or less. They are GREAT!!!!

– Amy Heidenfelder, Richard Heidenfelder MD

Rating: ★★★★★

Professional All Around! Matt and his team are by far some of the best people I've ever worked with. Always responsive and gets the job done. They have provided me with a service that is invaluable to my operations, and can't imagine going anywhere else. Their team provides insight, strategy, and sound advice that can help any business. Thanks again for all your help. Capforge knows the numbers.

– Vu Do, Syndicate Labs

Rating: ★★★★★

Expertise, Service & Value The CapForge team has become an incredible asset to our quickly growing business. I had interviewed a number of San Diego firms prior to choosing CapForge because of their high level of skill, service, and availability to answer my questions. I highly recommend their services.

– Don – Innovative Lifestyles

Rating: ★★★★★

Great Service After struggling with my own bookkeeping for two years, I found Matt and Co and am so glad I did. They offer a great service and reasonable rates, allowing me more time to focus on running a business.

– Sue Gardner, Minuteman Press

Rating: ★★★★★

Accurate, fast and cost effective. I started using CapForge after having problems with another bookkeeping service. Matt explained what he could do for my company. He has lived up to those promises.

– Dan Niles, PDN, Inc.

Rating: ★★★★★

Amazing Bookkeepers! Matt and his team are amazing bookkeepers and extremely helpful in keeping me on track. They are always happy to help out and they act as if they are one of our own staff. Matt's MBA comes in handy as he can answer a lot of questions we have on how to grow in the right way. We couldn't do it without Capforge!

– Ryan McCarthy

Rating: ★★★★★

Bookkeeping Worry Free! What used to take me hours a month before, now only takes me a few minutes. They are also very fast at getting back to me with questions, which I love. I highly recommend them!

– Tontz Realty & Management

Rating: ★★★★★

CapForge is awesome. I called Matt after battling with my former bookkeepers for two years. They made my bookkeeping duties so difficult that I went an entire year (2011) with no books! Matt came in and took my box of receipts, invoices, notes and everything else and came back a week later with my

P&Ls, 2011 1099's done and mailed and more importantly "peace of mind" for me. Now I can focus on doing what I do best, and that's selling product! I can leave the bookkeeping to him, my CPA will be more grateful than I am I'm sure! Thanks Matt! I would highly recommend him!
– Lance Tamyo – LMT Financial Consulting

Rating: ★★★★★

Matt has been such a crucial part of the opening of my spa. Since we had been under construction and development for over 8 months when I found CapForge we were in desperate need of getting our finances organized. Within two weeks of hiring them we had a complete P&L Statement for 2012. I have had other Book Keepers in the past who have taken months to get this complete. Since then he provides me with an updated financial break- down after only one week of the previous month. I am so happy we found this company and I will continue recommending them to all my professional and personal affiliates.
– J Capri, Inc. DBA Sweet Cheeks Beauty Bar

Rating: ★★★★★

Couldn't ask for better. We've worked CapForge Bookkeeping for just over a year now and we have been delighted with their thoroughness, accuracy, follow through, and the quality of their customer service.

– Focused Attention, Inc.

Rating: ★★★★★

It's been so wonderful to have Matt and his bookkeeping team on our side as fitness business owners. He has been more than helpful by offering monthly reviews in person and over the phone to help us stay on top of our finances and effective with our business. The team is always on time with monthly balance sheets and profit and loss statements. Plus once we get the documents, we are offered a phone review to discuss where we can improve or trends happening during the month. This is team is the best, very personable and trust worthy! Best small investment my business has ever made. It saves me the headache, and it's all about working smarter not harder. Why not hire someone who does the job better than you? Your time is too valuable!

– Jenny Piro, Fit With Jenny

Rating: ★★★★★

5 Stars! Matt is very personable and business friendly. He helps you understand complex terms and uses plain English to explain your options. We contacted him to help resolve several complications with QuickBooks and he was prompt, courteous and helpful in resolving our issues. We feel he totally understands small business and we are looking forward to working with him as we grow.

– Joanne & Erik Valentine – Moxie Creative.

Rating: ★★★★★

Great Service! I have been using CapForge for several months now and I would highly recommend them. They are fast and knowledgeable in regards to all my accounting needs. It has saved me a ton of my own time, so that I can now focus on developing my business. Keep up the great work!!!!

– J Thompson, ServPro of Sorrento Valley

Rating: ★★★★★

CapForge has definitely proven that they are a company with integrity and want to continue making their client's happy.

Due to lazy and incompetent Bookkeepers and Accountants my auto glass business was completely unorganized. Leaving me with a complicated mess for 2012. I wasn't sure how to go about finding a company that I could trust to do the right job. I

also was worried about how much it was going to cost to get everything cleaned up. I was able to get a reference from a sister company we work with. When I met with Matt from CapForge I knew right away that he was well organized and confident that it would be a simple process to fix my books. Then when we spoke about the amount of time it would take to get everything organized I was shocked that the answer was about a month or so. He was able to work with me by setting up a payment plan so that I could easily come up with the money to pay for the project.

– Mike Tappouni, Low Cost Auto Glass

Rating: ★★★★★

We highly recommend Cap Forge for professional accounting services. Our small law practice needed help with straightening out our accounts due to two previous unsatisfactory bookkeepers who just didn't do the job they should have. We contracted with Cap Forge several months ago, and are completely satisfied with the job they've done. Our books are now in great shape. Matt has been very patient explaining QuickBooks to me. He explains things clearly and is always available to answer any questions.

-Kay Sullivan, MPAPC

Rating: ★★★★★

I'm very happy with Matt's accounting services. He's very knowledgeable and is able to simplify accounting concepts for the everyday business owner. I was getting bogged down in accounting and Matt is helping to relieve that burden. He provides excellent service at a very reasonable price. I highly recommend him!

-Caitlin Zapf, Bumbums Inc.

Rating: ★★★★★

Extremely Happy! I am truly happy with the service they provide. It is so great to be able to trust your numbers. Everything has been completed on time and done right the first time. Matt is always available when you need him. I highly recommend!

- Pablo Carral, Edible Arrangements

Rating: ★★★★★

CapForge provides excellent and accurate bookkeeping and provides excellent customer service. I called and he answered all my questions regarding their services. They respond by phone and email quickly. He also made the data and communication process very simple for me and now I feel comfortable handing this part of the business off to them which allows me to go back to what I do best and that's making money

for my business.
– Gary Chung, Zuridia Inc

Rating: ★★★★★

CapForge has been an excellent partner to our business since we started working together. They helped us set up our systems and maintain them as we grow our business. I appreciate Matt's dependability, responsiveness, and patience.
– Solar Universe San Diego

Rating: ★★★★★

Matt is great! He is patient, knowledgeable and is very good at explaining not only what to do, but why it should be done. This helps with the training process. I highly recommend him!
– King Communications, Inc.

Rating: ★★★★★

Matt and CapForge are life savers!! After our former bookkeeper left to pursue another career, we called Matt for help. He was so accommodating and cooperative. He met with us and listened to our needs and concerns. He gave us the opportunity to ask any questions and he spent quite a bit of time helping us determine the best service for our business. In

addition, Matt has a virtual database of knowledge with Quick Books! He has continually been willing to answer any questions, give advice when requested and always with a wonderful attitude and the utmost professionalism. He's consistently available too. . .that's so important. It's absolutely reassuring to know that he'll always return calls and emails promptly. Matt knows his stuff and has improved our business operation immensely. We're a Building Contractor company and with all the various jobs, sub-contractors and customers, it's so reassuring to have CapForge handling the bookkeeping side. We highly recommend Matt and CapForge!!

– Banning and Son Construction

Rating: ★★★★★

CapForge is excellent! I recently purchased a restaurant and wanted to use QuickBooks for my accounting and find someone to help me with the books. Matt taught me how to use QuickBooks in a professional but easy to understand way. If at any time I needed questions answered Matt either returned my calls promptly or even stopped by to help me. I would highly recommend CapForge for any of your business needs.

– Kevin Nelson, Beach Grass Café

Rating: ★★★★★

Highly Recommended! What a great experience. Matt was patient with our lack of knowledge about bookkeeping, was supportive, and down to earth. He took the time to answer all of our questions, helping us feel ready to start our business with confidence. I highly recommend CapForge, Inc to others getting started.

-Luke Johnson, Pacific Breeze Counseling

Rating: ★★★★★

Matt always has patience and time to assist me with my QuickBooks. When I first called around CapForge was quick to call back and offer assistance. I was new to QuickBooks and Matt helped introduce me to the system and I have personally recommended his service to my other business professionals.

– Robert, Chula Vista Coin & Stamp

Rating: ★★★★★

CapForge was extremely helpful in showing me how to get my accounts in order. As a small startup organization, it's very important to me to see where the money is going. Matt not only showed up on time (a great plus!), he was patient enough to work with someone who has no financial or accounting background. Matt showed me that dealing with my financial matters not only is important, but could be painless as well–

maybe not quite fun, but it didn't give me a headache!

– Rhonda Rogers- Fanscenter.com

Rating: ★★★★★

Matt, Thank you for making our QuickBooks picture perfect.

The service you provide is AWESOME. Our bookkeeping has never look this great. Those of you stuck in QuickBooks and can't get it balance or the chart of accounts are incorrect call these guys now and save yourself a ton of time and MONEY!

– Tatau Brand Clothing

Rating: ★★★★★

QuickBooks Training I was very satisfied with the training that was provided on QuickBooks for my business. Matt explained processes and answered my questions in a simplified way that made sense. I would highly recommend their services for small business.

– Shannon Williams, DRIA Compliance LLC

Rating: ★★★★★

Excellent QuickBooks teacher. I recently started my own business and wanted to make sure we had proper accounting

setup. I called Matt at CapForge and I'm so glad I did. He set me up with Quickbooks and spent over 2 hours showing me the ins and outs of the program, making sure I had all my questions answered. He's very professional, and very affordable. If you need accounting/Quickbooks help, I highly recommend him.

– Mark Recht

Rating: ★★★★★

Very Impressed! Was able to send my quickbooks to them and have them update it and got it back that same day. Will come back for year-end review. Thanks!

– Mike Gerbi, Simple Information Systems

Rating: ★★★★★

I just started working with Capforge a few months back and they have given my company great reliable service since day one. They have been able to answer all my bookkeeping questions as well as give advice on how to simplify my way of doing things. They have been very helpful and I would defiantly recommend them to fellow business owners.

– Alejandro Parra, Lourdes Mexican Food by the Sea
