



Barrel image by kuse1 / Freepik

How To Max Your Money Flow

Don't do it all yourself. Outsourced professionals can boost your long-term financial performance.

By Ron Sorci

WHETHER YOU ARE JUST STARTING OUT or run an established business, it's time to examine whether you really control your company.

Specifically, do you as the owner of your company believe you are 100% knowledgeable about the current financial status of your business?

If you lack experience in managing the books of a company and expect to learn as you go, you should think twice. Managing your own accounting systems incorrectly can hurt you not only now, but also in the long term.

Here is a rundown of the key areas where an in-house or outsourced accountant can assist you in your business:

- Assist with financial analysis of your business and/or help you to prepare one.
- Provide advice on the type of accounting software you may need.
- Make sure your accounting procedures comply with government regulations and requirements.
- Provide advice on how to track expenses during your daily business activities.
- Help ensure individuals who provide service to you are properly classified.
- Explain your financial statements so you can understand the ins and outs of your business.
- Oversee company payroll and payment

processes.

- Help you manage overtime.
- Provide advice on estimated tax payments you should make during the year.
- Close out your books and create a multitude of financial reports.
- Help you determine areas for growth by providing insight on cash flow patterns, pricing, and business financing.
- Advise on property and equipment leasing and purchasing.
- Create financial forecasts so you can make better decisions in your business.
- Create a budget that will support your business goals and monitor actual results against the budget each month.
- Provide advice and resources to help you with the sale of your business or the purchase of an additional business.

In addition to taking control of the financial aspects of your company, I suggest six key areas you should focus on to stay on track:

- 1. Create and maintain a business budget:**
No time to make a budget? Then how do you know you are operating effectively? A budget will show you exactly where you are overspending and help you determine the best way to maximize earnings.
- 2. Set up a financial record keeping and ac-**

counting system: The first and most important part of setting up a recordkeeping system is to capture the information and review it to make improvements. There are various accounting software packages available including QuickBooks which many small- to large-sized companies use.

3. Create a system to maximize collections of accounts receivable: One of the most important things you can do to make sure your business is profitable and will generate sufficient cash flow is to set up a system to collect money from customers. Learn how to set up a system to monitor accounts receivable and collect on overdue bills while staying within the law on debt collection.

4. Plan for business disasters: All kinds can happen to your business. Set up a plan to prepare for a disaster and recovery by:

- Planning to keep business records safe.
- Planning for employee safety and minimizing damage to property.
- Learning about U.S. government loans and other disaster relief assistance.
- How to recover business records after a disaster.

5. Get your payroll system in order: Make sure you have accurate records for employees, payroll, and payroll taxes, which are one of the top audit targets for the IRS and states.

6. Create and maintain business records for your corporation or partnership: Your business must keep legal records of agreements and director actions. Corporations, partnerships, and LLCs need these records to maintain liability protection.

The most important thing you can do when it comes to your business financials is recognize when you need to enlist the help of a professional and then find that person to help you maintain the fiscal health of your business.

LCT

RON SORCI is the founder and CEO of Miami-based Professional Consulting Resources Inc. (www.pcrforyou.com). A former senior executive at public and private companies, Sorci most recently worked as CFO of Aventura Worldwide Transportation in Miami. He also served as President of the National Limousine Association from 2009-2010. He can be reached at Ron@pcrforyou.com or (786) 229-3662.

