



4 Vital Bookkeeping Tips for Small Businesses in Singapore

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Updating accounting books could be as tedious as to plan tax. But, if you do not keep clean accounting records, the task of calculating taxes could be a nightmare. For this, you need a proper accounting system in place; it would enable you to tweak your budget as often as you require to keep the cash flow healthy. The undesired situation may pop up; business objectives could easily be missed, and important filing date could be forgotten if you failed to set up an accounting system within your organization. You may opt to choose Do-IT-Yourself or may hire the [bookkeeping services in Singapore](#) to keep the books in order.

Keeping your accounting books organized and clean is not something a business should do to implement the tax-saving strategy, but it can also protect you from losing your mental peace and getting dragged into the lawsuit of authority. Business having sound bookkeeping, expense tracking, and budgeting could stand a step ahead of its competitors. It helps you make quality decision making. No one could ever become a successful business owner without keeping the accounting records accurate, organized and healthy. So, it is advisable to keep the records in order right from the day one of the business operation.

This article is providing a few bookkeeping tips to the small business owners to keep their financial records on the right track.

Create a Budget Plan

Why It is Important: It is important to manage the financial performance of your business tightly. It is essential to keep your business and the finance on track.

How to do: A budget plan represents a comprehensive analysis of future expenditure of a company. It provides a guideline for potential income and expense. A budget allows a business to have a financial roadmap. It indeed enables you to compare your expected financial goals with the actual accounting records. Precisely, it is the barometer that allows you to analyze the financial performance of your business. The budget could be prepared on a periodic basis i.e. monthly, quarterly and annually. Many companies create a budget on an annual basis. It enables you to compare the forecast with the actual numbers. You may hire an in-house bookkeeper or outsource the task to a third-party firm.

Keep a Tab on Your Expenses

Why It is Important: Keeping constant tabs on your expenses help you make critical business decisions. You can avoid unpleasant surprises like huge tax bills or additional debt.

How to do: Knowing how much money coming in and going out is the ideal way to build better bookkeeping. But, it is a time-consuming process and requires a high level of concentration.

Would you rather do it for an hour on your own and save 50 dollars or go out and make 1000 dollars? Outsource the task to the third-party bookkeeping services to leverage the benefits.

When you can see the exact picture of your finances, you can easily identify the areas where you can cut cost and also make your plan. You are advised to maintain your general ledger on a timely basis. Keeping track on the account receivables and account payable would also help if you are using the accrual basis of accounting.

Set up a Bank Account for Business

Why It is Important: A business bank account lets you know how your finance is performing. It is better to put a barrier between your personal and business expense.

How to do: It is always a good practice to keep your personal and business expense distinct. Setting up a business bank account is the first step to making this happen. Tracking expense and limiting personal liability become easy with this smart move. You can open a corporate bank account with any of the renowned banks in Singapore. Be sure to do some research before deciding on which bank account type you are signing for. You may take the assistance of professionals from the reputed accounting firms in Singapore to figure out which one suits you well. Note that, by opening a separate bank account for your small business; you are laying a foundation stone for anticipated success and growth of your business.

Hire a Bookkeeping Firm

Why It is Important: You can tap into the expertise of professionals of the bookkeeping services provider. By outsourcing non-core tasks like accounting and bookkeeping services, you get more time to focus on core competencies of the business.

How to do: As your business grows, it is quite challenging for you to keep track of all your financial expenses on your own. Similarly, if you are not an accounting savvy, you may need the help of someone who is adept in counting numbers. You may consider hiring an [accounting firm in Singapore](#). The firm will assign bookkeeper and accountant to handle your financial tasks with care. These firms use cutting-edge accounting software to deliver high-end service in this competitive era. You get an opportunity to get access to technology-driven solutions, which you otherwise hardly could afford with your shoe-string budget.

The fee structures of these firms are reasonable. The small businesses with a low volume of the financial transactions may opt for annual accounting. The money you invest in professional bookkeeping service is well worth as it helps you grow your bottom line and eventually, achieve business goals.

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