



Safe Hands Bookkeeping



Client Handbook



Bookkeeping for the 21st Century



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We are so glad that you have chosen to engage us as your bookkeeping partner and are excited to be part of your team.

We will strive to provide you with accurate books, which will supply you with useful information to help your business to succeed and grow.

We realize you want to spend as little time as possible on your bookkeeping and we get it—you have a business to run and a life to lead.

Having said that, we will only be able to provide you with the level of service you expect and deserve if you are fully-engaged in the process and provide us with the documents and data we need, read and act upon the reports and information we send you and follow some guidelines. This in turn will enable us to make sure you have the accurate and timely information and reports which will help you to make informed decisions.

Please review this handbook and be sure to refer to the workflow pages every month. Let’s make sure we have everything we need to complete your period-end in a timely and accurate manner, with a minimum amount of “prompting” from us.

Again, thank you for making us a part of your business team. We appreciate the faith you have placed in us and look forward to a long and prosperous relationship.

Our Mission

Safe Hands Bookkeeping aims to deliver financial peace of mind to hardworking small-business owners, by helping them understand, organize and systemize their finances, because they deserve success without financial stress. Our mission is to demystify your accounting and provide you with accurate reports, which actually mean something to you.

Too many business owners have little or no financial systems in place, submit their taxes and “hope for the best” and are sometimes even unsure whether their business is cash flow positive or not. Such financial stress can lead to sleepless nights and worse. We look forward to a world where financial literacy is commonplace, delegating is celebrated and no small-business owner has to worry or stress about their business finances.

Your Rights and Responsibilities

Safe Hands Bookkeeping Client Responsibilities (continued)

to government tax agencies), employees, or subcontractors. Safe Hands Bookkeeping' contact information can be given to third parties for business referral purposes only.

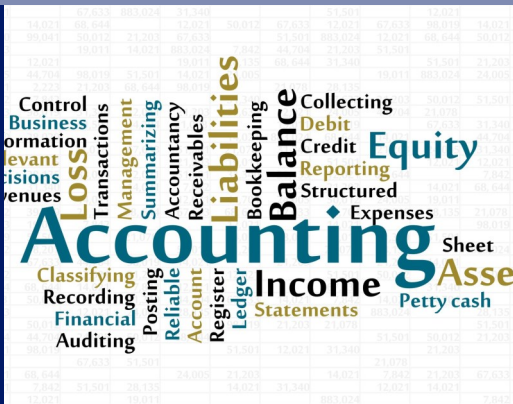
You have the responsibility to review all statements, reports, and correspondence in their entirety. You should ensure that you understand all risks and costs, seek clarification prior to making a decision, follow up to ensure that your instructions are carried out as expected, and report any potential errors you find to our team.

You have the responsibility to make timely payments for Safe Hands Bookkeeping services. An advance deposit of funds may be required for some projects. All payments on fixed price contracts are due in advance. All other invoices are due upon receipt. All payments must be made by ACH, check, or via your bank's online bill payment tools. A convenience fee may be assessed if you request to make payment by credit card. Safe Hands Bookkeeping does not accept payment by cash. A \$40.00 service fee will be assessed for all returned checks.

You have the responsibility to understand that, if you have chosen to participate in a fixed-price relationship (in which you pay a pre-determined price for the advice and services provided by Safe Hands Bookkeeping), then the price is independent of the level to which you use these services. This price may be higher or lower than the cost of other service providers in the consulting field. You should ensure your satisfaction with the price given for the services provided.

You have the responsibility to seek the appropriate advice of a management accountant, tax professional, CPA, or attorney. Financial matters, inherently involve potential tax and legal implications. Safe Hands Bookkeeping team members do not practice as lawyers or CPAs, and cannot give specific legal or tax advice.

You have the responsibility to protect your confidential business information. This includes: statements, login names, and account passwords, in order to ensure the security of your financial and personal data. Safe Hands Bookkeeping may, on occasion, require software passwords for the purposes of technical support. In that situation, we encourage you to change your password to a temporary one for support access.



Your Rights and Responsibilities -

How we can work successfully together

Your Rights and Responsibilities

Safe Hands Bookkeeping Client Responsibilities (continued)

However, Safe Hands Bookkeeping associates will never ask you for any passwords that may provide access to your funds, and you should not give this information to anyone you do not want to have access to your accounts.

You have the responsibility to be considerate of our time. We require one full business day notice for cancellation of any scheduled appointment with Safe Hands Bookkeeping. Keep in mind holidays and our regular business hours of, Monday through Thursday from 9:00 AM to 5:00 PM. Cancellations of scheduled appointments by you or any member of your team within one full business day of the appointment start time, may be charged a cancellation fee of \$150. We also respectfully ask that you bring your full attention to all appointments with Safe Hands Bookkeeping, planning ahead for care of children, pets, and anything else that may be a distraction from our important time together. Please arrange your schedule in advance, so that we can work together with undivided attention. If distractions in your environment result in meeting cancellation, the \$150 cancellation fee will be assessed.

Your Rights and Responsibilities -

How we can work successfully together



Are you receiving us?

Effective Communication

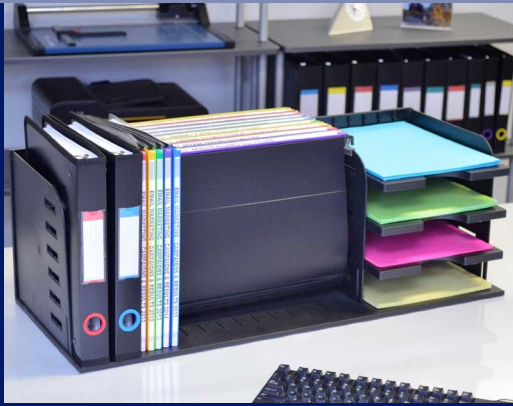
We value effective communication and collaboration. We are part of your business team now and we will need to communicate information and share documents on a regular basis. We need your help with this process, in a manner which works for both of us.

At Safe Hands Bookkeeping, we “time-block” - that is to say we allocate blocks of time to a specific client. This is how we stay on-task and get work done on time—including your books.

We will strive to get back to you by the end of the next business day, but please bear in mind we have other calls on our time and there are not many “accounting emergencies” which can be solved by an instant response. Nevertheless, we will do our best to get back to you as soon as possible.

- ◆ Any and all day-to-day actions, questions and requests should be by email. This is how we track, document and action what you need us to accomplish for you.
- ◆ We welcome phone calls or Zoom meetings by appointment, if it is easier and more efficient to discuss or explain a situation or scenario.
- ◆ Please do not communicate via text message, voice mail, social media messaging or chat. These actions are not as easy to keep track of.

We will set an automatic “out of office” email response any time we will not be available for more than a day.



Making Your Books Great!

Guidelines to Great Books

By following these guidelines, you can help us make sure you, us, your bank, the state and IRS will be happy:

1. Keep your personal transactions separate from your business — bank accounts, credit cards, everything. No personal expenses whatsoever should be run through your business accounts.
2. Run all business transactions through business accounts and credit cards. We need online banking and e-statements set up for us to be able to do your books.
3. Keep receipts for everything business related, for auditing purposes. Ensure payment method is listed on the receipt and write who/why on any receipts for business meals.
4. If you buy an expensive asset, by cash or finance, take out a loan etc, we will need a copy of the paperwork so we can record it in your books correctly. Keep us apprised of any unusual expenditure.
5. If you claim business mileage against your taxes, make sure you keep a mileage log. There are apps that can help you track this.
6. Make sure you are dealing with above-board, compliant businesses and sub-contractors.
 - Do they issue professional bills? Do they have an EIN? Are they licensed?
 - Collect a W9 from **all** service providers and contractors **before** you start paying them.
 - Do not hire anyone who asks for cash “off the books”
7. Have new hires fill out employee forms (I-9 etc) when they arrive on day 1.
8. File your taxes a few days ahead of the deadline.
9. Sales tax you collect is not your money. Put it aside to pay your taxes on time.
10. Review your financial reports thoroughly as soon as you can after you receive them, for anomalies or errors, so we can get them corrected in the right period.



Client Engagement—What We Need From You (and When!)

Client Engagement

Here we will tell you how we can ensure we receive the data and documentation we need, to enable us to achieve our goal of providing you with useful, accurate books.

When you can expect to have your books done:

We will endeavor to complete your books for the period by the last day of the next month, unless we have agreed upon a different timeline, in your letter of engagement.

To accomplish this, we need all your documentation and requested information by the 10th of the next month at the latest.

We reserve the right to postpone working on your books until all pending information has been received.

We will supply a report of transactions we do not recognize or have not been able to categorize, did not clear the bank or credit card accounts and, occasionally, items we feel do not match the IRS standards for business expenses. We ask that you review the report and identify the transactions noted within 5 business days.

Remember, it is easier to stay caught up, than to get caught up! We appreciate how busy you are, just keeping up with running your business, but we can help to make it more efficient and profitable if we have your full engagement to maintain useful, accurate books.



The Path to Panic-Free Audits

Best Practices for Maintaining Audit-Ready Books

Personal Expenses

No personal expenses should go through the business bank or credit card accounts. We understand there may be the occasional slip-up, but please let us know as and when these occur.

Meals and Entertainment/Travel Expenses

Meals and Entertainment are ONLY those which are for the sole purpose of conducting, maintaining or obtaining business. Please make sure you note on the receipt copy who you met with and what you discussed. The same applies to travel expenses.

Mileage

Best practice here is to use a mileage-tracker app. QBO have a tracker app available, which integrates with your QBO software.

Business Expenses paid with Personal Funds

If, on occasion, you have to pay business expenses through a personal account, make sure you note how they were paid (credit card, cash, etc.) Best practice is to keep these instances to an absolute minimum.

Petty Cash

Petty cash should be used rarely and treated as a bank account. Please let us know if you withdraw funds to be used as a Petty Cash float, send us receipts clearly marked "Petty Cash" and let us know your physical balance at the end of the month, so we can reconcile the account.

Sales and Payments

Invoicing should be done in QBO, or as a Sales Receipt, if payment is collected at time of sale. Payments should be received into "Undeposited Funds", not directly to the bank account. Deposits in QBO will be created by us, using the deposit detail provided by you. This is very important, especially if you deposit several payments into one bank account.



The Path to Panic-Free Audits

Best Practices for Maintaining Audit-Ready Books

Electronic Payment Processing

If you use a third-party payment processor (Stripe, Square, Merchant Account, etc.) we will need reports detailing the transactions.

Bank Feeds

If we do all the data-entry for you, please leave the adding and matching to us. If you have chosen the option to do this yourself, please be very careful with matching transactions and only categorize the ones you are certain of. If in doubt, post the transaction to the “Ask My Accountant” account and let us know the details.

“Due to Shareholders” and “Owner’s Draw”

Keep transfers to a minimum and post them to QBO when you make them, or let us know so we can record them.

Check Writing

Enter all checks you issue into QBO, or let us know, so that we can enter them for you. Use the “memo” field to record the reason for the check. If you write checks by hand, please send us a list at the end of each month, detailing the date, check number, payee, amount and reason for the payment.

New Employees

ALWAYS have the employee complete an I-9 and W-4 on the first day, before they start work.

New Vendors

ALWAYS have the vendor complete a W-9 form, before issuing the first payment.

Client Workflow and Checklist



Workflow to Success

Beginning of the Month

- ◆ All statements and documents submitted to us, no later than 10 days after month-end.
- ◆ Sales and invoicing complete in QBO
- ◆ Payments and deposits recorded in QBO or details forwarded to us
- ◆ All checks entered in QBO or check register submitted to us for entry
- ◆ Transfers to and from shareholders/owners, lenders and for expenses not entered as a bill posted or details submitted
- ◆ Bills and Expenses entered in QBO or details submitted for us to enter
- ◆ Bills paid in QBO—if your plan says you will enter, these should be posted as they are made. If we are posting, submit details to us on or before the 10th
- ◆ Business expenses paid personally—report to us by 10th

Mid-Month

- ◆ We will send you a report of uncategorized transactions—please respond with information requested within 5 business days
- ◆ Review management reports within 5 business days of receipt and send approval email OR email detailing queries preventing approval

End of Period

- ◆ Confirm Sales tax filed and paid by due date (20th of month following quarter-end)

1099



W2



1099 Forms

1099 Form Submission

The IRS requires all business owners to file a form 1099-NEC by January 31 and 1099-MISC by March 31, for every individual or non-corporate LLC that was paid over \$600 in the previous year, for trade or business service, including rent.

It is critically important to meet these deadlines, as the penalties for late filing can result in severe financial penalties. Penalties for incorrect filing or intentional disregard to file are even more substantial.

It is not unusual to encounter contractors who don't or won't provide all the necessary details. To prevent this from happening, you should require every contractor to fill out a W-9, before you make any payment to them. Make this clear to them before they commence work. If your contractor is outside the USA, have them fill out a form W-8BEN.

We want to help you prepare for the deadlines, to avoid unnecessary stress and potential financial penalties, if you have engaged us to manage and prepare your 1099 forms.

We will send you a reminder email in December about 1099 forms, so you can let us know if you wish us to take care of your compliance issues.

If you do engage us to prepare your 1099 forms, please be aware of the following:

- ◆ We will prepare your 1099-NEC and 1099-MISC forms based solely on the information you provide, so you must ensure this information is accurate and complete. (See letter of engagement, if you have separately engaged us to manage your Accounts Payable transactions)
- ◆ If you have forms or payees other than those specifically listed in your accounting file, we will not prepare these forms unless requested by you in writing.
- ◆ For the timely filing of 1099-NEC forms, you must provide in writing a complete list of payees on or before the final Friday in December. For each payee, we will need payee name and address, payee Federal ID number (from W-9), amount paid during the year.



We're Here For You!

Our Commitment to You

We believe in efficient, accurate and secure bookkeeping.

- ◆ Bookkeeping is only conducted by QBO Certified ProAdvisors
- ◆ We have industry standard E&O insurance coverage
- ◆ We stand by our work, based on the information you have provided us and will make any corrections needed

Technology Security Policies:

As a fully cloud-based firm, we take security very seriously:

- ◆ We use a secure VPN for our office network
- ◆ We do not conduct business from public internet networks
- ◆ Our computers are bio-metrically secured and go into standby mode after 15 minutes of inactivity
- ◆ Systems are secured by antivirus, firewall and malware programs
- ◆ We use multi-factor authorization for all applications where it is an option
- ◆ We use unique, secure passwords on all applications
- ◆ We have a secure file client portal to share sensitive information



Data Protection

Tips to Keep Your Data Safe

Password Safety:

- ◆ Do not leave written passwords around your desk or anywhere
- ◆ Do not use the same password for multiple applications or websites
- ◆ Use a password generator to create random and strong passwords
- ◆ Use a password-protection app to securely store your passwords
- ◆ Do not share passwords via email

Internet Security:

- ◆ Use an up-to-date antivirus program and malware protection on all your devices. Set them to auto-update, so you always have the most current protection
- ◆ Consider using a VPN connection for your business internet usage. Your data will be encrypted before it is transmitted
- ◆ Enable multi-factor authorization on all business apps, where it is available
- ◆ Do not email sensitive information—use either our secure client portal or QBO's "My Accountant" tab to share documents



At Your Service!

Customer Service

Our preferred method of contact is email—this makes it easier for us to record and track any requests or outstanding tasks.

We will reply to your emails within 2 business days, but usually sooner.

If you need to speak on the phone, call 512-402-2451, though a scheduled call is always preferred.

Business Hours:

Normal business hours are Monday—Friday, 10.00am through 6pm, Central Time

We are closed on US Federal Holidays, the day after Thanksgiving, Christmas Eve and New Year's Eve.

Any messages received outside these hours will be addressed the next business day.

We will notify you well in advance of any closures due to vacation.



At Home in the Cloud

What “Working Virtually” Means



Our clients send us documents electronically



We use online file storage, accessible by clients and bookkeepers



We use cloud-based small-business accounting software—QBO

Advantages for Clients:

- ◆ Increased Service Levels
- ◆ Higher Value Service
- ◆ Multi-User Access
- ◆ Data Accuracy
- ◆ Minimal Downtime
- ◆ Safe Storage of Financial Data



What it's all about

The Importance of Your Reports

Creating, reading and understanding the financial statements of your business is key to understanding the health of your business. You need to know how much money you have, what is coming in, how much is going out, who you owe and who owes you.

This is vital for making key decisions to help your enterprise grow, prosper and succeed.

What is a Profit and Loss Statement?

- ◆ Your P&L (or Income Statement) provides you with the total amount of income generated and the expenses incurred during a specific period.
- ◆ It is the total of all income sources, cost of goods/ services sold, payroll, operating expenses and overhead.

What is a Balance Sheet?

- ◆ The Balance Sheet gives you a snapshot at a particular point of time (usually month, quarter or year-end) of what you own, what you owe, what you are owed and what your business is worth.
- ◆ Accounts Receivable (what you are owed) and Accounts Payable (what you owe) are reflected in this report.
- ◆ Money you have put into and taken out of your business are included in the balance sheet.

The Cash Flow Statement

- ◆ The Cash Flow Statement provides you with detailed information about how money flows in and out of your business and what the overall effect was during the accounting period it covers.

QUICKBOOKS ONLINE ADVANCED PROADVISOR
QUICKBOOKS PAYROLL PROADVISOR
QUICKBOOKS ONLINE SETUP AND TRAINING
MEMBER—AMERICAN INSTITUTE OF PROFESSIONAL BOOKKEEPERS



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