

The CPA-Ready Business Finance Starter Kit

A Free Guide to Organizing Your Books, Finding Deductions, Preparing for Your CPA, and Understanding Your Business Profit

For small business owners, landlords, freelancers, contractors, consultants, real estate investors, and online business owners

Important Disclaimer

This guide is for educational purposes only. It is not legal, tax, accounting, or financial advice. Tax rules change, and every business is different. Always consult a licensed CPA, enrolled agent, attorney, or qualified tax professional before making tax, entity, payroll, depreciation, or compliance decisions.

What You Will Learn in This Free Starter Kit

Most business owners do not lose money only because they lack customers. Many lose money because they do not understand their numbers.

They may have sales, but no clean bookkeeping.

They may have expenses, but no deduction system.

They may have receipts, but no organized records.

They may have profit on paper, but no cash in the bank.

They may have a CPA, but still show up at tax time with messy books, missing documents, and no clear idea of what happened during the year.

This starter kit helps you begin fixing that problem.

Inside, you will receive:

- The full table of contents for the premium playbook
- Chapter 1: Why Every Business Needs CPA-Ready Books
- A small business deduction checklist
- A monthly bookkeeping checklist
- A profit and loss template preview
- A CPA-ready document checklist

The goal is simple: help you move from financial confusion to financial clarity.

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The Small Business Tax & Profit Playbook

Bookkeeping, Deductions, Tax Planning, Cash Flow, and CPA-Ready Financials

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Chapter 1: Why Every Business Needs CPA-Ready Books

The Problem: Most Business Owners Do Not Really Know Their Numbers

Many small business owners work hard every day but still feel financially confused.

They know money comes in.

They know money goes out.

They know they are busy.

But they do not always know whether the business is truly profitable.

This is one of the biggest financial problems in small business.

A business can have high sales and still struggle. A contractor can complete many jobs but still have weak cash flow. A landlord can collect rent but lose money after repairs, vacancies, debt payments, insurance, and taxes. A freelancer can receive large deposits but still be unprepared when quarterly taxes are due.

The problem is not always lack of income.

Sometimes the problem is lack of financial visibility.

CPA-ready books solve that problem.

What Are CPA-Ready Books?

CPA-ready books are organized, accurate, and complete financial records that allow a CPA, bookkeeper, lender, or business owner to understand the financial condition of the business.

CPA-ready books usually include:

- Clean income records
- Properly categorized expenses
- Separate business and personal transactions
- Reconciled bank accounts
- Reconciled credit card accounts
- Stored receipts and invoices
- Payroll records
- Contractor payment records
- Loan and asset records
- Mileage logs when applicable
- Profit and loss statement
- Balance sheet
- Cash flow review
- Year-end tax document packet

CPA-ready books do not mean your books are perfect. They mean your records are organized enough that a qualified professional can review them, ask the right questions, prepare accurate tax filings, and help you make better financial decisions.

Messy Books Create Tax Problems

Tax problems often begin months before tax season.

They begin when business owners mix personal and business expenses.

They begin when receipts are lost.

They begin when income is not tracked correctly.

They begin when contractors are paid without collecting W-9 forms.

They begin when the owner does not know how much tax money to set aside.

They begin when the business waits until March or April to organize the entire previous year.

By the time the tax deadline arrives, the business owner is stressed, the CPA is rushed, and deductions may be missed.

Messy books can lead to:

- Missed deductions
- Duplicate expense entries
- Unreported income
- Incorrect contractor reporting
- Weak documentation
- Higher tax preparation fees
- Filing delays
- Poor tax planning
- Greater audit risk
- Cash flow surprises

Clean books reduce stress because they give you a clear financial picture throughout the year.

Messy Books Cause Missed Deductions

Many business owners overpay taxes not because they are trying to be conservative, but because they do not track expenses properly.

A business owner may forget software subscriptions.

A landlord may forget mileage to rental properties.

A contractor may forget tools, materials, insurance, and job-related supplies.

A consultant may forget professional education, phone, internet, home office, or business travel.

An online business owner may forget payment processing fees, website hosting, advertising expenses, design software, email marketing platforms, and contractor payments.

The deduction is only useful if it is properly documented.

That means you need a system for capturing, categorizing, and storing expenses throughout the year.

A receipt in a shoebox is better than no receipt, but a receipt matched to a transaction in your bookkeeping system is much better.

Messy Books Create Cash Flow Confusion

Profit and cash flow are not the same thing.

A business may show profit but still have little cash because money is tied up in unpaid invoices, inventory, debt payments, equipment purchases, or owner withdrawals.

A business may also have cash in the bank but still be unprofitable because the owner is behind on bills, taxes, payroll, or loan payments.

CPA-ready books help you answer important questions:

- How much money did the business actually make?
- Which expenses are increasing?
- Which services or products are most profitable?
- How much should be set aside for taxes?
- Can the business afford to hire?
- Can the owner take more pay?
- Is the business ready for financing?
- Are prices too low?

- Are expenses too high?
- Is the business growing or just getting busier?

Without clean books, many owners make decisions based on bank balance instead of profit.

That is dangerous.

Your bank balance tells you what you have today.

Your books tell you what is really happening.

Messy Books Can Cause Loan Rejection

Lenders want numbers.

If you apply for a business loan, mortgage, real estate loan, line of credit, equipment loan, or investor funding, you may need to provide financial statements.

Common requested documents include:

- Profit and loss statement
- Balance sheet
- Business bank statements
- Tax returns
- Debt schedule
- Rent roll for landlords
- Accounts receivable report
- Payroll records
- Entity documents
- Cash flow projections

If your books are messy, you may not be able to provide these documents quickly.

Even worse, the documents may tell a confusing story.

A lender may see inconsistent income, unclear expenses, high owner withdrawals, unexplained transfers, or weak documentation.

Clean books help you look prepared, professional, and fundable.

Messy Books Lead to Poor Decisions

Every business owner makes decisions.

Should I raise prices?
Should I buy equipment?
Should I hire someone?
Should I rent an office?
Should I purchase a vehicle?
Should I form an S-Corp?
Should I expand?
Should I cut a service?
Should I sell a property?
Should I pay myself more?
Should I save more for taxes?

Without clean numbers, these decisions become guesses.

CPA-ready books give you the information needed to make better decisions.

They help you see where money is coming from, where money is going, and what needs to change.

The CPA-Ready Mindset

The CPA-ready mindset is simple:

Do not wait until tax season to organize your business finances.

Instead, build a monthly system.

Every month, you should:

- Reconcile your business bank accounts
- Reconcile your business credit cards
- Categorize income and expenses
- Upload receipts
- Review unpaid invoices
- Review unpaid bills
- Update mileage logs
- Review payroll
- Review contractor payments

- Set aside tax money
- Review your profit and loss statement
- Check cash flow
- Make financial decisions before problems become emergencies

A business that reviews its numbers monthly has a major advantage over a business that only looks at numbers once per year.

The Financial Starting Line

Before you can improve your business, you need to know your financial starting line.

Your financial starting line includes:

- Monthly revenue
- Monthly expenses
- Gross profit
- Net profit
- Cash on hand
- Debt payments
- Tax savings
- Owner pay
- Accounts receivable
- Accounts payable
- Break-even point

Once you know your starting line, you can build a plan.

If revenue is too low, you can improve sales.

If expenses are too high, you can cut waste.

If profit is weak, you can adjust pricing.

If cash flow is tight, you can improve collections.

If taxes are underfunded, you can set aside money monthly.

If your books are behind, you can start a cleanup plan.

You cannot improve what you do not measure.

Simple Break-Even Formula

Your break-even point tells you how much you need to sell before the business begins producing profit.

A simple formula is:

Break-even sales = Fixed costs divided by gross profit margin

Example:

If your monthly fixed costs are \$5,000 and your gross profit margin is 50%, your break-even sales level is:

$$\$5,000 \div 50\% = \$10,000$$

That means the business must generate \$10,000 in sales before it covers fixed costs.

After that point, the business starts producing operating profit.

This is important because many business owners focus only on sales.

But sales alone do not guarantee profit.

Clean Books Help You Work Better With Your CPA

Your CPA can only work with the information you provide.

If you provide clean books, your CPA can spend more time on tax planning, deduction review, entity strategy, and compliance.

If you provide messy records, your CPA may spend most of the time cleaning up transactions.

That can cost you more money and reduce the time available for strategy.

A CPA-ready business owner should be able to provide:

- Year-end profit and loss statement
- Year-end balance sheet
- Bank statements
- Credit card statements
- Payroll reports
- 1099 contractor records
- Asset purchases
- Loan statements

- Mileage logs
- Home office information
- Real estate income and expense records
- Prior-year tax return
- Entity documents

The better your records, the better the conversation.

Small Business Deduction Checklist

Use this checklist as a starting point. Not every deduction applies to every business. Always confirm your deductions with a qualified tax professional.

General Business Deductions

- Advertising and marketing
- Website hosting
- Domain names
- Email marketing software
- Business software
- Office supplies
- Printing and postage
- Professional fees
- Legal fees
- Accounting and bookkeeping fees
- Business insurance
- Bank fees
- Payment processing fees
- Business licenses
- Professional licenses
- Training and education
- Business books and subscriptions
- Phone expenses
- Internet expenses
- Rent or coworking space
- Utilities
- Repairs and maintenance
- Tools and equipment
- Computer equipment
- Furniture
- Travel
- Business meals

- Mileage
- Vehicle expenses
- Payroll expenses
- Contractor payments
- Retirement plan contributions
- Interest on business loans
- Depreciation
- Home office expenses

Contractor and Service Business Deductions

- Tools
- Materials
- Safety gear
- Uniforms
- Job supplies
- Subcontractors
- Equipment rental
- Truck expenses
- Fuel
- Repairs
- Insurance
- Licensing
- Bonding
- Lead generation
- Project management software

Landlord and Real Estate Investor Deductions

- Mortgage interest
- Property taxes
- Insurance
- Repairs
- Maintenance
- Utilities
- Property management fees
- HOA fees
- Advertising vacancies
- Tenant screening
- Legal fees
- Accounting fees
- Mileage
- Travel
- Cleaning
- Landscaping

- Pest control
 - Depreciation
 - Loan fees
 - Capital improvements
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Monthly Bookkeeping Checklist

Complete this checklist every month.

Bank and Credit Card Review

- Reconcile business checking account
- Reconcile business savings account
- Reconcile business credit cards
- Review all transfers
- Confirm no personal expenses were included
- Confirm no business expenses were paid personally

Income Review

- Record all sales
- Match deposits to invoices or sales reports
- Review unpaid invoices
- Follow up on late payments
- Confirm merchant processor deposits
- Confirm rental income, if applicable

Expense Review

- Categorize all expenses
- Upload receipts
- Match receipts to transactions
- Review subscriptions
- Review contractor payments
- Review large purchases
- Separate repairs from improvements

Payroll and Contractor Review

- Review payroll reports
- Confirm payroll tax payments
- Collect W-9s from contractors

- Update 1099 contractor tracker
- Review owner pay or draws

Tax Planning Review

- Estimate monthly profit
- Set aside tax savings
- Review quarterly estimated tax needs
- Review sales tax obligations
- Review payroll tax obligations
- Save tax documents in monthly folder

Financial Statement Review

- Review profit and loss statement
 - Review balance sheet
 - Review cash flow
 - Compare actual results to budget
 - Identify unnecessary expenses
 - Identify pricing or profit issues
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Profit and Loss Template Preview

Business Name:

Period Covered:

Income

Sales revenue: \$ _____

Service income: \$ _____

Rental income: \$ _____

Other income: \$ _____

Total Income

\$ _____

Cost of Goods Sold or Direct Costs

Materials: \$ _____

Subcontractors: \$ _____

Job supplies: \$ _____

Merchant fees: \$ _____

Direct labor: \$ _____

Other direct costs: \$ _____

Gross Profit

Total income minus direct costs: \$ _____

Operating Expenses

Advertising and marketing: \$ _____

Software and subscriptions: \$ _____

Office supplies: \$ _____

Phone and internet: \$ _____

Insurance: \$ _____

Professional fees: \$ _____

Rent: \$ _____

Utilities: \$ _____

Vehicle and mileage: \$ _____

Travel: \$ _____

Meals: \$ _____

Repairs and maintenance: \$ _____

Payroll: \$ _____

Contract labor: \$ _____

Bank fees: \$ _____

Education and training: \$ _____

Licenses and permits: \$ _____

Other expenses: \$ _____

Total Operating Expenses

\$ _____

Net Operating Profit

Gross profit minus operating expenses: \$ _____

Notes

What changed this month?

What expenses need review?

What income needs follow-up?

What should be discussed with the CPA or bookkeeper?

CPA-Ready Document Checklist

Use this checklist before meeting with your CPA.

Business Information

- Legal business name
- EIN
- Business address
- Entity type
- Ownership information
- Prior-year tax return
- State registration documents
- Operating agreement, if applicable

Financial Reports

- Profit and loss statement
- Balance sheet
- General ledger
- Cash flow report, if available
- Bank reconciliation reports
- Accounts receivable report
- Accounts payable report

Bank and Credit Records

- Business bank statements
- Business credit card statements
- Loan statements
- Line of credit statements
- Merchant processor statements

Income Documents

- Sales reports
- 1099-K forms
- 1099-NEC forms received
- 1099-MISC forms received
- Rental income records

- Invoices
- Deposit records

Expense Documents

- Receipts
- Vendor invoices
- Contractor payments
- Insurance bills
- Rent payments
- Utility bills
- Software subscriptions
- Advertising receipts
- Legal and accounting invoices

Payroll and Contractor Documents

- Payroll summary
- W-2 forms
- W-3 form
- 941 payroll tax reports
- 940 unemployment tax report
- Contractor W-9 forms
- 1099-NEC forms issued
- State payroll reports

Asset and Vehicle Records

- Equipment purchase invoices
- Vehicle purchase documents
- Business-use percentage
- Mileage log
- Depreciation schedule
- Loan documents for assets

Real Estate Records

- Rent roll
- Lease agreements
- Mortgage interest statements
- Property tax bills
- Insurance statements
- Repair receipts
- Improvement receipts

- Closing statements
 - Depreciation schedule
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Next Step

This free starter kit gives you the foundation.

The full premium ebook, *The Small Business Tax & Profit Playbook*, goes deeper into bookkeeping systems, deductions by business type, entity planning, payroll, tax planning, financial statements, audit risks, CPA preparation, and a 90-day profit improvement plan.

Use the full playbook if you want a complete system for cleaner books, better tax planning, stronger cash flow, and CPA-ready financials.