FREE GUIDE

25 Things That Could Be *Off in Your Business Finances* Without You Realizing It

A practical guide to the bookkeeping, cash flow, tax, spending, and planning issues that are easy to overlook.

WHAT'S INSIDE

Know Your Numbers. Grow with Confidence.

Golden Star Bookkeeping Inc. | Burnaby, BC

INTRODUCTION

Why Small Issues Can Be Easy to Miss

Not every issue in your business finances is obvious.

Some show up quickly—a missed filing deadline, a cash shortage, or an unexpected year-end adjustment. Others can sit quietly in the books for months before anyone realizes something isn't right.

The goal isn't to prevent every possible issue. It's to build good habits and systems that make problems easier to spot and correct before they carry forward.

This guide covers 25 areas worth watching, organized into five categories. For each one, you'll find a plain-language explanation of what it is, why it matters, and a practical way to think about it.

WHO THIS GUIDE IS FOR

This guide is designed for Canadian business owners who want to better understand the financial side of their business—whether they manage some of the bookkeeping themselves, work with a bookkeeper, or simply want to know what they should be paying attention to.

You don't need to be experiencing a financial problem to use it. Think of it as a practical review of areas that are worth checking periodically.

WHAT'S COVERED

01 TAX & COMPLIANCE
Deadlines, deductions, recordkeeping, GST/HST, and common compliance issues.

02 CASH FLOW & REVENUE
Invoicing, collections, recurring revenue, and cash-flow planning.

03 EXPENSES & SPENDING
Budgeting, subscriptions, expense categorization, and spending decisions.

04 ACCOUNTING & BOOKKEEPING
Reconciliations, account balances, transaction accuracy, and reliable financial records.

05 STRATEGY & PLANNING
Financial reports, profitability, budgets, tax reserves, and using your numbers to make better decisions.

As you read, make a note of anything you want to review more closely in your own business. You don't need to fix everything today—the first step is knowing what deserves attention.

SECTION 01

Tax & Compliance

1. Missing tax and filing deadlines

GST/HST returns, payroll remittances, corporate tax returns, and other obligations can have different deadlines.

Missing one can create unnecessary penalties, interest, and administrative work. Keep a filing calendar based on the accounts and obligations that actually apply to your business.

2. Failing to track eligible business expenses

When expenses aren't recorded consistently or supporting documentation is missing, legitimate business costs can be overlooked at year-end.

Create a process for capturing expenses and receipts throughout the year rather than trying to reconstruct everything later.

3. Mixing corporate and personal transactions

Using corporate accounts for personal spending—or paying corporate expenses personally without recording them properly—can create confusing shareholder transactions and make the books harder to understand.

Keep corporate and personal activity separate and make sure any crossover is recorded appropriately.

4. Misclassifying employees and contractors

Whether someone is an employee or self-employed isn't simply a matter of choosing whichever arrangement is easier.

The nature of the working relationship matters. When you're unsure, get appropriate professional guidance before deciding how someone should be treated for payroll and reporting purposes.

5. Poor financial recordkeeping

Receipts, invoices, statements, payroll records, and other supporting documents are part of your financial records.

Store them consistently and follow current CRA record-retention requirements that apply to your business.

TIP

Create a recurring monthly financial check-in: review upcoming remittances and filings, make sure supporting documents have been captured, and identify anything that needs attention before a deadline arrives.

SECTION 02

Cash Flow & Revenue

6. Invoicing customers late

Work completed doesn't become cash in the bank until you invoice and collect it.

Establish a consistent invoicing schedule so completed work doesn't sit unbilled unnecessarily.

7. Failing to follow up on overdue invoices

Sending an invoice is only the first step.

Review accounts receivable regularly and establish a consistent follow-up process for invoices that haven't been paid by their due date.

8. Paying vendors twice

Duplicate bills or payments can happen when invoices arrive through multiple channels or when there isn't a consistent accounts-payable process.

Good bill management and regular reconciliations help identify duplicates.

9. Not tracking recurring revenue

If your business earns recurring, subscription, or retainer revenue, track it consistently.

Understanding how much revenue is recurring can help with cash-flow planning and provide better visibility into future income.

10. Ignoring future cash-flow needs

Today's bank balance doesn't tell you what will happen next month.

A simple short-term cash-flow forecast can help identify periods where expected payments, payroll, taxes, or other obligations may exceed incoming cash.

TIP

Review your accounts receivable regularly. If invoices are overdue, decide who needs a reminder and when you'll follow up rather than allowing unpaid balances to accumulate.

SECTION 03

Expenses & Spending

11. Paying for subscriptions you no longer use

Software and recurring services are easy to forget once they're on automatic payment.

Review recurring charges periodically and cancel services the business no longer needs.

12. Spending without a budget or plan

A budget doesn't need to be complicated.

Even a basic plan for expected revenue, fixed costs, and discretionary spending gives you a reference point for making financial decisions throughout the year.

13. Making large purchases without considering the financial impact

Equipment, software, vehicles, and other investments can affect both cash flow and profitability.

Before committing, consider what the business expects to gain from the purchase and how it fits into current cash-flow needs.

14. Not reviewing bank and credit-card activity

Regular review can help uncover unusual transactions, duplicate charges, unexpected fees, and spending patterns that deserve attention.

Don't rely solely on automated bank feeds to tell you everything is correct.

15. Categorizing expenses inconsistently

When similar expenses are recorded differently from month to month, financial reports become harder to interpret.

Consistent categorization makes it easier to compare periods and understand where money is actually being spent.

> **TIP**
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> *Review the last few months of recurring charges. Look for subscriptions, memberships, or services you no longer use or whose cost has increased without you noticing.*

SECTION 04

Accounting & Bookkeeping

16. Waiting until year-end to review the books

Bookkeeping is much more useful when it's kept current and reviewed throughout the year.

Waiting until year-end can make problems harder to investigate and leaves you without reliable financial information during the year.

17. Not reconciling accounts regularly

Reconciliation compares the accounting records with the actual activity in bank, credit-card, loan, and other accounts.

Without it, missing, duplicated, or incorrect transactions can remain in the books unnoticed.

18. Leaving unexplained balances on the Balance Sheet

Old receivables, stale payables, unusual shareholder balances, uncleared transactions, or other unexplained amounts can continue carrying forward from period to period.

Balance Sheet accounts should be reviewed—not simply rolled forward because the software does it automatically.

19. Not reviewing accounts receivable and accounts payable

A healthy P&L doesn't tell you whether customers actually paid you or whether bills are accumulating.

Reviewing A/R and A/P helps you understand what's owed to the business and what the business owes to others.

20. Assuming automated bookkeeping is always correct

Bank feeds, rules, integrations, and automation can save significant time, but they still require oversight.

An automated transaction can be consistently wrong just as easily as it can be consistently right. Review automated activity rather than assuming the software made the correct accounting decision.

> **TIP**
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> *If your books are current but the reports still don't seem right, don't assume being "up to date" means being accurate. Investigate unusual balances and recurring inconsistencies.*

SECTION 05

Strategy & Planning

21. Making decisions without reviewing financial reports

Pricing, hiring, spending, and growth decisions are easier to evaluate when you understand what the financial statements are telling you.

Review your Profit & Loss Statement, Balance Sheet, and cash position regularly rather than relying only on the bank balance.

22. Not understanding which parts of the business are profitable

Strong overall revenue can hide products, services, or customers that aren't contributing as much as expected.

Where practical, track enough detail to understand which areas of the business are generating healthy returns.

23. Operating without a financial plan

A useful financial plan doesn't need to be complicated.

Expected revenue, major expenses, planned investments, and cash requirements can provide a framework for evaluating actual results throughout the year.

24. Failing to plan for tax obligations

GST/HST collected isn't business revenue, and corporate tax or payroll obligations can create significant cash requirements.

Plan ahead for upcoming tax payments rather than relying on whatever cash happens to be available when they're due.

25. Relying only on intuition

Business experience and intuition are valuable—but they're more useful when combined with reliable financial information.

Use your knowledge of the business alongside accurate reports to understand what's happening and make better-informed decisions.

TIP

Set aside time each month to review your financial reports. Start with three questions:

- What changed?
- What looks unusual?
- What requires a decision or follow-up?

THE NEXT STEP

You Know What to Watch For. Now Find Out *Where Your Business Stands.*

This guide gives you a useful list of areas to watch. But every business is different, and not every issue will apply to you.

The next step is looking at your own financial habits, bookkeeping, cash flow, and reporting to identify where you may want to focus first.

TAKE THE FREE BUSINESS FINANCIAL HEALTH SCORECARD

Answer 12 questions about four key areas of your business finances and get a clearer picture of where things stand.

Use your results to identify which areas appear strong and which may deserve a closer look.

TAKE THE SCORECARD →

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