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## KEEP IT BUSINESS, NOT PERSONAL

Managing a small corporation, as well as having a home-based business myself, I have learned how important it is to keep personal and business matters separate. Not only does it make life less confusing, it can also save you money on your taxes.

The first thing I recommend is to open a separate checking account just for your business. Use this account to deposit all self-employment income. Do NOT use this account for wages received from an employer. This account needs to be totally separate. You will pay all your business related expenses solely from these funds. When you pay business expenses from your personal account, it is much more difficult to accurately track how much money you are spending for your business. And, missed expenses could mean missed tax deductions!

The other suggestion I have is to open a credit card specifically for your business expenses. Make sure you choose a card that suits you and your business well: i.e. cash back, travel rewards, etc. Use this card for all your business purchases and of course, make payments to it with your new business checking account.

Last but not least, I recommend purchasing some form of accounting software. It doesn't have to be anything fancy or expensive, just a place for you to enter your income and expenses for your business. Even a very simple program can provide you with financial reports demonstrating your company's profitability, as well as help you to set a budget. Most programs also give you the option to print reports that aid in tax preparation.

As with any other financial decision, I highly recommend you meet with an accountant or tax preparer on an annual basis at the very least. He/She will be able to direct you in the best ways to make the most of your hard earned money. But remember, the harder you work at keeping your business and personal records separate, the easier it will be for your accountant to help you.

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