



3 Keys to Financial Management

There are **3 Keys to Financial Management** that *all* churches, nonprofits, or small businesses can benefit from and build a profitable organization.

1. Record keeping
2. Bookkeeping
3. Financial Reports

These keys are an essential part of running a successful business or organization. Failing to properly implement and maintain these components will definitely lead a business or organization into financial despair.

1. **Record keeping** is the process of maintaining, organizing, and storing of financial documents such as invoices, receipts, files that pertain to the day-to-day operations of activities of a business or organization. These records should support the income and expense incurred.



2. **Bookkeeping** is the process of tracking the receipts for all income and expenses. The receipts can be entered on a daily, weekly, or monthly basis into a bookkeeping system such as *QuickBooks*. It can also be outsourced to a small consulting business i.e. Flourishing Financial, which would help the business or organization focus on the day-to-day functions.

3. **Financial Reports** summarizes the financial data entered during bookkeeping. Reports should be generated at least monthly. All reports are useful in determining the financial standing of a business or organization but the primary report is the profit and loss report or P&L. The P&L tells if a profit was made during a given period whether monthly, quarterly, or annually.

Bookkeeper or Accountant?



Bookkeepers are helpful in maintaining the day-to-day tasks such tracking income/expenses, data entry, and generating reports. Since they are helpful with the day-to-day tasks bookkeepers would also be very knowledgeable in assisting with establishing an effective recording keeping method or system as well as determining the financial management software that best the needs of the business or organization. Some bookkeepers may assist in training personnel on financial management and even process payroll. **Accountants** on the other-hand, assists in interpreting the financial data, handling and filing taxes, and advises on strategic growth of and maximizing savings for the business or organization. They have extensive knowledge of taxes that would benefit the business or organization throughout the year and during tax season.

Determining whether you need a bookkeeper or accountant *depends on your needs*. Consider, a bookkeeper for day-to-day and monthly requirements and an accountant for handling, filing, and any concerns on business or organizational taxes.

Flourishing Financial can help with your business or organization financial management needs. **Check us out! Free consultations & promotional discounts!**

Helpful Websites:

Small Business Association - www.sba.gov

The Small Business Association (SBA) has information to help you start and grow your business. It provides guides, online courses, and videos.

National Council of Non-Profits - www.councilfor nonprofits.org

The National Council of Nonprofits is a trusted source and advocate for charitable nonprofits. This organization keeps nonprofits informed and empowered to create a positive public policy environment that best supports nonprofits in advancing their missions.

StartCHURCH - www.startchurch.com

StartCHURCH is a website that provides valuable information and tools for establishing and growing ministries.

Thank you for Visiting the Flourishing Financial website!



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