

Bookkeeping Service Recommendations

Below are recommendations that can help maximize the value of your bookkeeping services. These recommendations will help reduce your fees and protect against CRA audits.

1. Bring in your records on a monthly basis and respond to inquiries in a timely manner. This increases the quality of your bookkeeping services and reduces stress during busy periods along with improving the speed of your services.
2. Have a separate bank account and credit card for your business transactions - this is essential to reduce CRA audit risks.
3. Separate your personal expenses from your business. Do not flow any personal items (like groceries, clothing, or home utilities) through your business bank or credit card accounts. We understand that accidents can happen so if you use the wrong card please make a note.

Minimum Monthly Documentation Requirements:

- All bank and credit card statements that relate to the business
- Bank deposit slips or details of any money deposited or withdrawn at ATMs or banks
- Sales invoices or summaries
- Monthly expense and purchase receipts:
 - Debit / credit card print out **AND** itemized / till receipt (showing GST/PST) paid
 - Flattened and legible receipts are appreciated
 - Add comments on the back for reduced CRA audit risk (for meal and travel receipts)
 - If receipts are handwritten or in USD they need to contain:
 - Date
 - Seller's name
 - The invoice totals
 - How it was paid (MC, Visa, Debit)
 - US to CAD conversion (as much as possible)

E-Transfers:

Whether sending or receiving an E-transfer please:

- Print the confirmation page (every time please)
- Comment / explain what the e-transfer is for
- Write the invoice number (if applicable)
- Ensure there is a date printed on the page (in your print / computer settings)



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Home Based Businesses:

If you are a home-based business, please provide the following once a year:

- Home office expenses (utility bills, home internet bills, mortgage statements, property tax bills, rent totals, home insurance costs, and any repair or maintenance costs directly related to your home office)
- The square footage of your house (include your garage only if you use it for storage/usage of your business items.)

Other Expenses Paid Personally:

- Personal cell phone invoices
- The portion of your cell phone usage that relates to business activity

If you have any loans or leases, please include:

- Vehicle bills of sale / purchases
- Vehicle financing statement
- Line of credit statements/terms
- Loans on equipment
- Operating loans
- If you have any leases, please indicate which items are leased
- If incorporated and vehicle is used at least 90% for business activities please put vehicles, insurance, leases, loans, and bank statements all in the business name when you purchase a new vehicle.

Vehicle Expenses:

A mileage logbook is **always** required by CRA if vehicle driving is less than 100% business related. We've got a template on our website if needed: <https://creeksideaccounting.ca/resources-%26-news>.