The 5 Biggest Bookkeeping Mistakes Small Businesses Make

Avoid these common pitfalls to keep your books accurate, compliant, and tax-ready all year.

Bookkeeping mistakes can cost time, money, and peace of mind. At Wilderman & Associates, we help small business owners get organized, stay compliant, and understand their numbers. Here are five of the most common mistakes we see — and how to avoid them.

1. Mixing Personal and Business Finances

Using one bank account for everything makes bookkeeping messy and IRS audits painful. Always separate business and personal accounts, even if you're a sole proprietor.

2. Falling Behind on Bookkeeping

Waiting until year-end to update your books leads to missed deductions and inaccurate reporting. Set a monthly schedule or outsource to a professional to stay up to date.

3. Not Reconciling Accounts Regularly

If your bank and credit card accounts aren't reconciled monthly, errors can go unnoticed. Regular reconciliations help catch fraud, double charges, or missing transactions early.

4. Misclassifying Expenses

Incorrectly categorizing transactions can distort your financial reports and affect your tax deductions. Use consistent categories and review them with an accountant at least once a year.

5. Ignoring Financial Reports

Your profit and loss statement and balance sheet tell the real story of your business. Reviewing these reports monthly helps you make smarter decisions and plan for growth.

Avoiding these mistakes can save you hours of stress and set your business up for long-term success. If your books are behind or you're unsure where to start, we can help.

Wilderman & Associates
Bookkeeping & Tax Services for Small Businesses
www.wildermancpa.com