



Shawn M. Bulisco & Associates, LLC

Specialized Accounting for Contractors

FREE GUIDE

Top 10 Accounting Mistakes Contractors Make

— And How to Avoid Them —

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Introduction

As a contractor, your focus is on building projects, managing crews, and meeting deadlines. But many construction businesses lose profit — and even risk their future — because of accounting mistakes that can be avoided. Here are the top 10 mistakes we see, and how you can fix them.

Top 10 Mistakes

1. Mixing Personal and Business Finances

Why it hurts: It makes job costing and taxes inaccurate. Quick fix: Keep separate bank accounts and credit cards for your business.

2. Not Tracking Job Costs Accurately

Why it hurts: Leads to underbidding and lost profits. Quick fix: Use real-time job costing reports tied to each project.

3. Failing to Maintain Cash Reserves

Why it hurts: Construction cycles are seasonal and client payments often lag. Quick fix: Set aside a percentage of each payment for reserves.

4. Ignoring Work-in-Progress (WIP) Reports

Why it hurts: Without WIP, profits often look higher or lower than reality. Quick fix: Review WIP schedules monthly to stay on track.

5. Not Preparing for Bonding & Surety

Why it hurts: Weak financials can cost you major projects. Quick fix: Maintain clean books and plan financials proactively.

6. Overlooking Subcontractor Compliance

Why it hurts: Missing 1099s and payroll reporting can trigger audits. Quick fix: Track subcontractors consistently and stay compliant.

7. Missing Industry-Specific Tax Deductions

Why it hurts: Contractors often overpay on taxes. Quick fix: Leverage deductions for vehicles, equipment, per diem, and home office.

8. Relying on Outdated Spreadsheets

Why it hurts: Errors compound, growth stalls. Quick fix: Invest in modern accounting software with CPA oversight.

9. Not Forecasting Cash Flow

Why it hurts: Growth decisions are made blindly. Quick fix: Build rolling 12-month cash flow forecasts.


10. Waiting Until Tax Season to Call a CPA


Why it hurts: Missed savings and no year-round strategy. Quick fix: Partner with a CPA year-round for planning and growth support.

Take Control of Your Construction Finances

Avoiding these mistakes can save you thousands and position your business for long-term success. If you're ready to strengthen your bottom line, schedule a free consultation today.

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